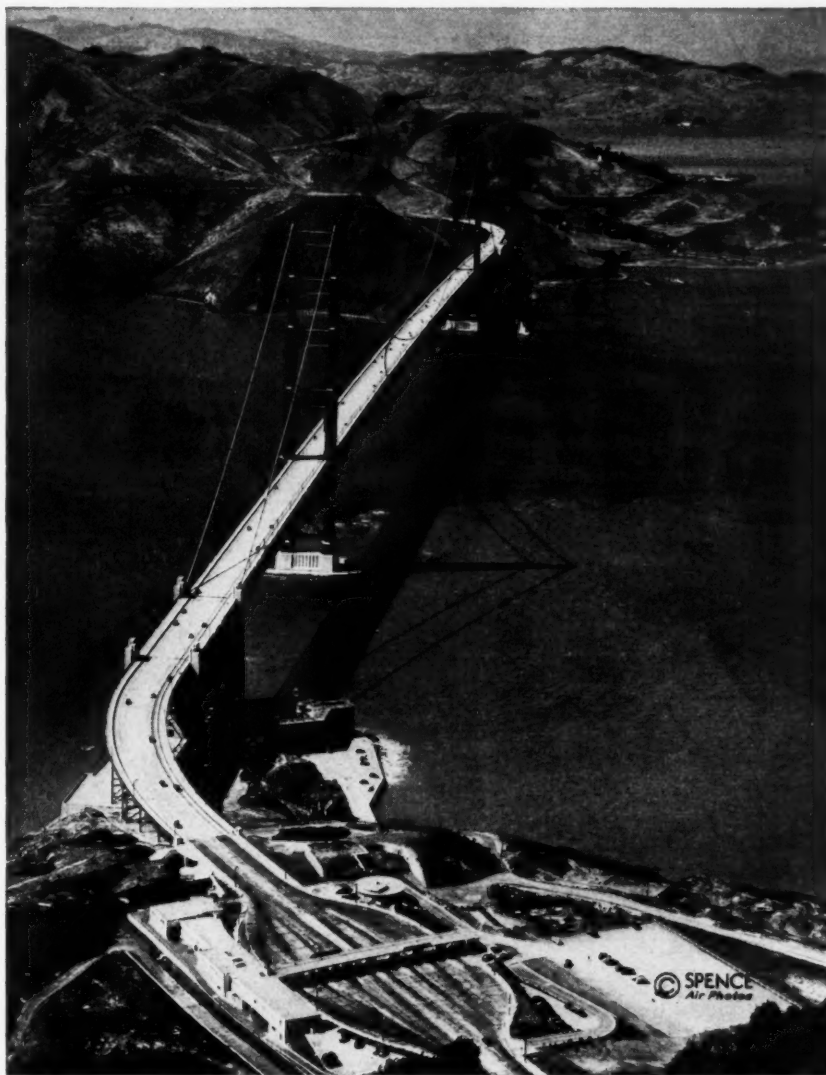


# *The* NATIONAL UNDERWRITER



*Ewing Galloway*

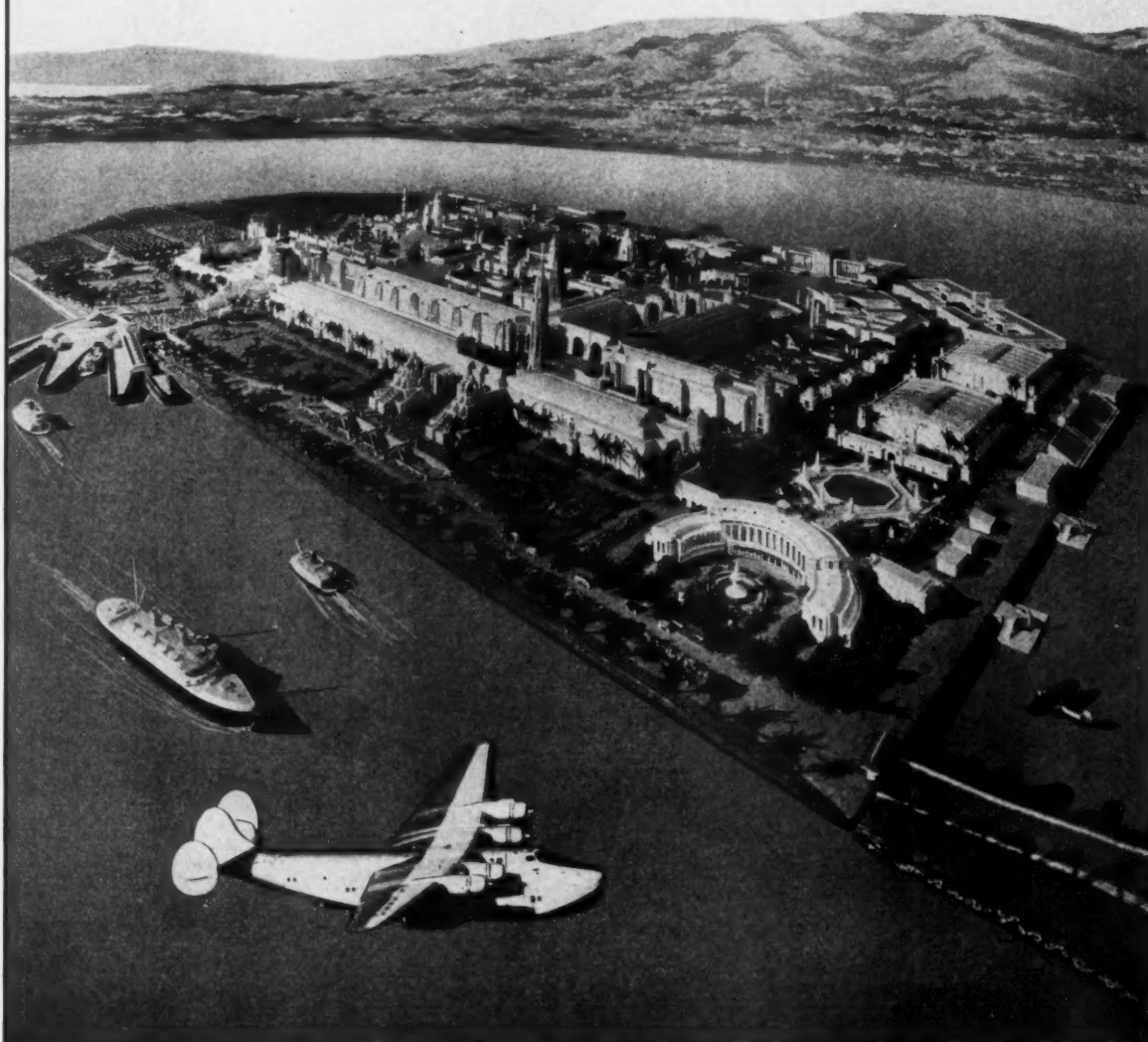
## *from* BROOCHES *to* BRIDGES!

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THURSDAY, APRIL 20, 1939

# THE *Golden Gate* INTERNATIONAL EXPOSITION

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The "Pageant of the Pacific" Presents a World in Miniature.



Firemen's Insurance Company of Newark, N. J.  
The Girard Fire & Marine Insurance Company  
National-Ben Franklin Fire Insurance Company  
The Concordia Fire Insurance Co. of Milwaukee  
Milwaukee Mechanics' Insurance Company  
Pittsburgh Underwriters • Keystone Underwriters  
The Metropolitan Casualty Insurance Co. of N. Y.  
Commercial Casualty Insurance Company

FIRE • MARINE • CASUALTY • SURETY

*Loyalty Group*  
INSURANCE

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Canadian Dept.  
461 Bay St.  
Toronto, Canada

HOME OFFICE  
10 PARK PLACE  
NEWARK, NEW JERSEY

Southwestern Dept.  
912 Commerce St.  
Dallas, Texas

Pacific Department  
220 Bush St.  
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In use from day to day are its one hundred and ninety-odd pages of classified premium-building information—explanations of special coverages, sales and underwriting pointers, illustrated listings of pertinent advertising helps.

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# The NATIONAL UNDERWRITER

Forty-third Year—No. 16

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 20, 1939

\$4.00 Per Year, 20 Cents a Copy

## Day of Change in Auto Policies, Fire and Casualty

### Organization Companies Add Loss of Use by Theft— Mutuals Revise Form

Member companies of the National Automobile Underwriters Association are now including so-called loss of use by theft coverage in their automobile fire and theft and automobile comprehensive policies without charge. At the same time they have reduced the waiting period, before effective settlement of a theft claim, from 60 days to 30 days. Heretofore the charge for loss of use by theft endorsement has been \$2. It provided recovery up to a maximum of \$300, allocated on the basis of \$5 a day for rental of an automobile during the period that the assured's car was missing and before the insurer made settlement.

Under the free coverage the total recovery is limited to \$150, this corresponding to the new 30-day waiting period.

### Coverage Is Retroactive

The directors of the association recommended that the companies consider the coverage retroactive on existing policies qualified therefor without endorsement.

About three weeks ago American Automobile Fire announced that it was including loss of use by theft coverage without extra charge, at the same time that American Automobile announced that it was including a limited form of drive other car coverage in the automobile liability policy.

The National Bureau of Casualty & Surety Underwriters last week met the competition of American Automobile insofar as drive other car coverage is concerned and went a step or two farther. The bureau companies' new free drive other car coverage includes occasional use of a hired car. At the same time the bureau provided without charge coverage to the assured on account of the operation of motor vehicles by chauffeurs or servants.

### Agreement Reached in March

It seems that at a meeting in March of the joint committee of various types of carriers on the standard automobile liability policy, agreement was reached to include drive other car coverage and this non-ownership provision as to chauffeurs and servants. However, the intention was not to introduce these new benefits for perhaps another two months. When American Automobile made its announcement, however, the bureau companies decided to strike immediately.

The mutual companies are holding a meeting in New York, April 24, and at that time they will undoubtedly officially make these provisions effective. The individual mutual companies that

(CONTINUED ON PAGE 33)

## Heavy Batteries on Cooperative Scheme

### Insurance Agents Are Aroused Over the Growing Menace of This Movement

RICHMOND, VA.—The address of General Agent B. P. Carter of this city before the Hollywood, Fla., convention of the National Association of Insurance Agents is attracting wide attention. He has gathered a vast amount of material on consumer cooperatives and in his talk he pointed out their danger to the merchants and other middle men. He was out in the territory all last week visiting his agents and giving talks to local business men. He deals a heavy blow on this menacing and growing movement. His effort is having an effect and he is jolting local agents and other business men around.

W. Owen Wilson of this city was the original agent to delve into the consumer cooperative juggernaut. He assembled some valuable material and then induced his fellow townsman, Carter, to lead the hosts. Mr. Wilson was achieving success and at the Dallas meeting of the National Association of Insurance Agents Bert E. Mitchner of Hutchinson, Kan., presented a most potent expose of the cooperative consumers advance. That was the most exhaustive and convincing document so far written. More than 50,000 reprints were distributed and the support to Mr. Mitchner's campaign seemed assured. The enthusiasm, however, waned and hence Mr. Wilson enlisted Mr. Carter and is seeking to recruit one such in every state inasmuch as it has been so happily demonstrated what one agent crusader can do.

One of the most valuable forces in combatting the cooperatives, when brought into play, is the credit men's associations. Joint meetings of credit and insurance men are being held in many cities and where opportunity presents itself, the agents reveal the growing strength of the cooperatives and their effect on the credit men and their employers.

## Ad Men Announce Discussion Leaders

BOSTON—Clark W. Smitheman, production manager for the Camden Fire and chairman of the fire and casualty group session of the Insurance Advertising Conference, has announced his line-up of speakers and subjects for the May 16 meeting in New York.

The discussion period will start promptly at 9:30. F. Sidney Holt, supervisor publicity department Aetna Fire, will lead the discussion of "Advertising Agency Commissions." H. K. Schauffler, National Board, will talk on "Which Tools Are the Sharpest?"; C. W. Van Beynum, manager publicity department Travelers, will raise the question "Can They Be Reached Without Advertising?" and Ralph W. Smiley, superintendent of publicity Royal-Liverpool groups, will discuss "Cultivating Prospects and Policyholders by Mail."

## Luke Kavanaugh Colo. Commissioner

### Appointment Made by Attorney-General— Governor May Also Act

DENVER — Deputy Attorney-general Luke J. Kavanaugh, who has been in charge of the department since the resignation of Jackson Cochrane, has been appointed insurance commissioner by Attorney-general Rogers. The appointment was immediately approved in the state executive council by a partisan vote of 3 to 2. The two Republican members, Governor Carr and Treasurer Armstrong, voted against the appointment.

Carr still maintains that this appointment belongs to the governor and has said that he will fill the post. Since he has not yet taken definite action, it is believed the governor is awaiting the outcome of pending legislation which would raise the commissioner's salary. One bill would raise the salary from \$3,000 to \$5,000 and in addition provide the department with a \$3,000 a year actuary. Naturally, the governor would be able to get a better man for \$5,000 than for \$3,000.

### Makes More in Former Post

Kavanaugh, who makes \$4,200 a year as deputy attorney-general, has said he would not keep the job permanently at the \$3,000 salary.

For that reason, he is designated as temporary or acting commissioner. However, since the Colorado law does not make any provision for an "acting commissioner," Kavanaugh is believed to have full powers as commissioner during the time he is in office.

Under the Colorado law, Kavanaugh's appointment will be classified as a provisional appointment, which will have to be approved by the civil service commission after that body has examined the appointee, along with any other applicants. The appointee, according to custom, is given certain credits for the experience he has had before the examination is held—which gives him an edge over the others. Usually the provisional appointees have received the permanent appointments.

If Governor Carr goes ahead with his declared plan also to appoint a commissioner, a complicated legal situation will result—the outcome of which can only be determined by the state supreme court.

Kavanaugh has been deputy attorney-general since 1937. During the war he had charge of settling claims for the federal government in several states.

## INVESTIGATORS REPORT

The Colorado house has now adopted the report of a special investigating committee which has been probing the department and the affairs of International Mutual Liability and authorized the committee to serve as an interim committee on insurance for the next two years.

The report, which held the insurance department to be "in a deplorable condition,"

(CONTINUED ON PAGE 35)

## W. U. A. Reelects Officers at Annual Conclave

### Easterners Attend Gath- ering at White Sulphur in Large Numbers

By C. M. CARTWRIGHT

WHITE SULPHUR SPRINGS—At the annual meeting of the Western Underwriters Association, S. M. Buck, Chicago, western manager Great American, was reelected president; C. H. Smith, Chicago, co-western manager Hartford Fire, and R. D. Safford, vice-president Travelers Fire, vice-presidents; C. F. Thomas, Chicago, secretary and treasurer.

As a matter of historical interest this time honored institution has reached its 60th year, having played a most important part in insurance activities. Another anniversary is that of Secretary Thomas, who was installed 10 years ago. Under his guidance the association reached new heights and extended its sphere of influence.

At Wednesday's session it was voted to ask the governing committee to create a committee of the membership large enough to embrace all the interests involved in the issue of whether the association can and should undertake to bring about the supervision of commission allowances in connection with agencies over collateral lines written as agency business by member companies, it to report to the fall meeting.

There was much discussion over St. Louis, resulting in the governing committee being empowered to make any changes, revision or rewriting of the St. Louis rules as its judgment would approve.

It was voted to empower the arrangements committee headed by A. F. Powrie to take steps to commemorate the sixtieth anniversary at the autumn gathering.

John C. Harding, chairman nominating committee, made the motion to elect the slate.

The report of the Cook County Loss Adjustment Bureau showed last year 37,710 claims handled with payments of \$6,833,897 or \$300,000 less than the year before. For the first three months of this year, there was an increase of 36 percent in number, there being many small losses, and influenced, the report said, by the extended coverage and the public getting more claim conscious. There were only two losses of \$100,000 or over last year. Brokers, the report said, continue to use pressure in adjustments.

W. K. Maxwell, Hanover Fire, in reporting for the committee on loss adjustments, said the loss frequency in W. U. A. territory increased 15 percent last year due to catastrophe losses coming from extended coverage and comprehensive automobile policy. The actual loss

(CONTINUED ON PAGE 32)



## Wisconsin Ruling on Marine Is Disturbing

**Companies Are Distressed by the Drastic Order of Commissioner Mortensen**

The marine departments are disturbed by the sweeping ruling of Commissioner Mortensen of Wisconsin which apparently requires beginning May 1 that practically all forms of inland marine be written with a standard fire policy as the base and with the all-risk features added by endorsement, and that hence most of the inland marine lines be subject to fire insurance rate regulation and the policies be routed through the stamping bureau.

Mr. Mortensen's ruling is regarded as somewhat obscure, but its intent is pretty well understood. The ruling is an outgrowth of the recent decision of the Wisconsin supreme court in the action brought by Northwestern National of Milwaukee to restrain the Wisconsin department from bringing under the provisions of the rate law a fine arts policy insuring the Layton Art Gallery of Milwaukee. The court gave an unqualified decision to the commissioner and the wording of the decision was such as to leave no doubt that the department does have jurisdiction over much of the inland marine business through the fire insurance rating law.

### Mechanics Will Be Burdensome

The companies feel that compliance with the ruling will be extremely burdensome and that it will be difficult to decorate a standard fire policy with endorsements in such a way as to leave no loophole and to make the combined coverage as thorough as what is given in the present all-risk contract. Moreover, the companies express resentment that the ruling is to be made effective on May 1, which is regarded as an early date to get the machinery in order to comply.

The Wisconsin department for the past year or so has been exercising rate jurisdiction over several forms of inland marine insurance, principally those known in the trade as "location" risks. These policies are routed through the stamping office. The specific classes that have been exempt from rate control are: Fur floaters, registered mail, parcel post, property in actual process of shipment while in transit and not exceeding 30 days after arrival at consignee's or purchaser's premises; imports and exports to and from foreign countries; bridges and tunnels; tourists' floaters; personal effects excluding residence of assured; personal fur, personal jewelry, silverware floaters, personal musical instruments, radium, film floaters, salesman's samples, physicians' and surgeons' instruments floaters, machinery and equipment installation, wedding presents and exhibition property floaters.

### Imports and Exports Exempt

Apparently practically all of these forms that are now exempt from rate regulation under Mr. Mortensen's ruling, will be subject to the jurisdiction of the rating bureau and will have to be written around the standard fire policy. The only class that seems to be definitely excluded from such jurisdiction is imports and exports to and from foreign countries.

Commissioner Mortensen, in his ruling, states that he defines marine insurance as "insurance against loss, damage or expense occasioned in connection with

(CONTINUED ON PAGE 22)

## Rate Laws Need Uniformity, Attack Mandatory Bureaus

R. H. Matthias and C. B. Robison of the Chicago law firm of Ekern & Meyers are the authors of a review of state regulation of insurance rates and proposed model rate legislation in the sesqui-centennial edition of the "Georgetown Law Review." Ekern & Meyers are closely allied with the State Farm Mutual group of Bloomington, Ill. The conclusion of the review is that rating laws have not reduced the cost of insurance to the ordinary citizen, but probably have increased it. They recommend that the state take supervision over rates to prevent injustices to the public and to protect the financial structure of companies from unrestricted competition, but no further. Rating bureaus are firmly established, but should be subject to strict supervision and membership in them should not be mandatory, the paper concludes.

There are, the survey points out, three general types of regulatory laws in force, anti-compact laws in 18 states, anti-discrimination laws in every state and rating laws in 31 states. Every rating law places enforcement in a state administrative agency.

### Anti-Compact Laws Inadequate

The oldest type of legislation, the anti-compact law, made its appearance near the end of the last century and was part of the general popular wave against trusts and monopolies of that time. In general these laws prohibit any insurance company or agent from entering into any contact or agreement with other carriers to prevent or lessen competition in the insurance business. In some cases, these laws apply only to certain classes of business. Later laws of this type prohibit combinations to fix rates unless through an approved rating bureau. These laws have been held unconstitutional, but they have proved unworkable because of the expense of each company maintaining a separate rating department and because the unrestricted competition which they fostered precipitated ruinous rate wars.

Anti-discrimination laws prohibit any distinction between insureds of the

same class in the rate paid for insurance and prohibit any company or agent from paying any rebate or other consideration or inducement not specified in the policy. They are also ineffective as rate regulatory devices because they do not in any way control the rate to be charged initially. In various cases, companies have been held to violate these laws by writing contracts at five year rates, with the premium payable annually, giving the assured the option to purchase shares of stock in the company at lower than the market price, giving fleet rates for automobiles, charging a lower rate for a large risk than for a small one of the same classification and writing additional coverages at less than the normal rates as an inducement to carry a certain line of insurance.

The present tendency is away from anti-compact laws and in favor of supervised combinations of insurance companies to fix basic fire insurance and other rates. The Supreme Court of the United States has upheld the power of the state to regulate insurance rates in a 1914 case involving the Kansas rating law. Most states now permit establishment of rating bureaus to make basic schedules for all companies belonging to these organizations, under the supervision of the insurance department. Most states permit individual companies to file deviations when their own experience warrants a higher or lower rate. Some states make it mandatory upon companies to belong to a rating bureau, while others make this voluntary.

### Complete Control in Texas

Texas, the paper points out, has gone farther than any other state in rate regulation. The state insurance commission there has the sole and exclusive power to prescribe, determine and publish the rates to be charged by fire insurance companies, and to alter or amend them. Companies may write insurance at a lower rate than that published, but the reduction must be ap-

(CONTINUED ON PAGE 22)

## Marine Activities of Royal-L. & L. & G. Now Coordinated

**Three Branches Are Combined Under Frank B. Zeller As Manager**

NEW YORK—Harold Warner, United States manager of Royal-Liverpool, announces the consolidation, effective May 1 of the marine interests of the groups which are at present represented in these offices: Royal marine department, 84 William street, Frank B. Zeller, manager; British & Foreign and American & Foreign office in the Cotton Exchange building, 60 Beaver street, Eric E. Ellis, manager; Thames & Mersey office, 150 William street, A. B. Grant, manager. No change is being made in the Pacific Coast branches of the companies.

This consolidation brings together the marine departments of these companies: American & Foreign, British & Foreign Marine, Capital Fire of California, Federal Union, Liverpool & London & Globe, Newark Fire, Queen Insurance Company of America, Royal, Seaboard, Star, Thames & Mersey Marine.

Associated with these companies as heretofore will be the Maritime, Ocean Marine, and Reliance Marine.

### Mr. Zeller to Be Manager

The new office, which will be located on the grade floor at 150 William street, will be under the management of Frank B. Zeller. Associated with Mr. Zeller will be Eric E. Ellis, Walter F. Farrar, and C. H. Pedersen, assistant managers, and Bert S. Beckman, who has been appointed secretary of the office and will have supervision of the claims department. The announcement is made of the retirement of A. B. Grant, who has been connected with Thames & Mersey Marine, Ltd. since 1898.

Mr. Zeller has been with Royal 25 years and received his early underwriting training from John E. Hoffman, who before his retirement was a leading underwriter in the marine market. Mr. Zeller succeeded Mr. Hoffman as marine manager of Royal in 1930, and has built a wide acquaintance in marine circles in the United States, Liverpool and London. He is a member of the board of management of the American Marine Insurance Syndicate, a vice-president and director of American & Foreign, and a director of the United States Salvage Association and the American Institute of Marine Underwriters. During the war he served with the American forces in France as a member of the intelligence staff.

### All Activities Now Coordinated

The consolidation of the marine interests of the Liverpool groups follows the coordination of the fire activities of these companies, and makes possible a closer coordination of the marine and inland marine operations.

J. P. Mayer, manager of the inland marine department, while continuing in that capacity, will become more closely associated with the new marine office, and will, with the metropolitan section of the inland marine department, be located in the marine underwriting room on the grade floor. The agency activities of the department will continue to be located on the second floor.

With this concentration of marine activities at 150 William street, the groups now offer the underwriting and production facilities for practically all forms of insurance, except life, in one easily accessible location.

## THIS WEEK IN INSURANCE

Officers are reelected at annual meeting of **Western Underwriters Association** at White Sulphur Springs, W. Va. **Page 3**

Many changes are being made these days in **automobile policies, both fire and casualty.** **Page 3**

Local agents are being stirred up to oppose **consumer cooperatives.** **Page 3**

Luke Kavanaugh is appointed **Colorado insurance commissioner** by the attorney-general, but the governor may dispute the appointment. The Colorado committee that has been investigating the insurance department makes its report. **Page 3**

The various **marine activities of the Royal-Liverpool group** have now been coordinated in one unit with Frank B. Zeller as manager. **Page 4**

Main features are given of **presidential address of S. M. Buck, Great American**, at the Western Underwriters Association meeting at White Sulphur Springs. **Page 5**

Keen interest is taken in the contest over the **Virginia agency license law.** **Page 7**

Blanket reduction of 10 percent in **Texas fire rates** is asked by firemen's association at hearing before the Texas board of commissioners. **Page 5**

**Commissioner Mortensen's ruling** extending rate control over inland marine policies in Wisconsin causes much disturbance in marine circles. **Page 4**

Various elements in the marine field agree to join a **single bureau in Illinois** for rating the personal property floater. **Page 5**

Hearing is held before Virginia corporation commission on charges preferred against **J. Davis Ewell**, president Virginia Association of Insurance Agents, by representative of Federal Hardware & Implement Mutuals. **Page 6**

National councillors of National Association of Insurance Agents in **far west territory** hold meeting in Salt Lake City. **Page 9**

**Auto rate level latitude** among bureau companies advanced as cure for "unhealthy" situation. **Page 15**

Surety branch managers in New York are looking into the possibility of conducting an educational campaign in the interest of expanding the **sale of private contract bonds** in connection with projects costing from \$25,000 to \$100,000. **Page 15**

Banking interests are expected to enter strenuous objection to the section in the revised New York insurance law that requires **banks to purchase fidelity coverage** from admitted surety companies. **Page 15**

**Compulsory health insurance** attacked and defended at New York meeting. **Page 17**

Chicago agent tells **Purchasing Agents Association** of liability dangers in contract and permit bonds. **Page 27**

**Markel family** of Richmond, Va., and its specialized insurance service is reviewed. **Page 16**

Tentative program for midyear meeting of **Illinois Association of Insurance Agents** at Rock Island May 18 is announced. **Page 29**

## Ten Percent Cut in Texas Fire Rates Asked by Firemen

### Commissioners Start Annual Hearing—Loss Ratio Up 5 Percent in 1938

AUSTIN, TEX. — A vigorous attack upon the fire insurance rates in Texas was made here at the annual open hearing of the Texas board of insurance commissioners by a committee representing the Texas Firemen's & Fire Marshals Association and various other interests. The agenda included 33 items ranging from minor adjustments of some specific class to a request for a blanket reduction of 10 percent. This latter was the keystone of the firemen's attack.

Immediately prior to the hearing the fire insurance department announced the experience for last year and for the last five years on which any adjustments that are ordered will be based.

The report shows that though premium collections in Texas last year totaled \$22,005,551 and losses totaled \$8,830,516, there was a five point gain in the loss ratio as compared to 1937. The loss ratio for 1938 was 40 percent as compared to 35 percent the year previous.

#### Five-Year Report

The five-year report showed total premium collections of \$110,105,535 and losses \$38,247,284, or a five-year loss ratio of 35 percent. A significant point emphasized during the hearing was that the premium collections in Texas during the last five years have averaged \$22,000,000 annually, despite the sharp reductions in premium rates made in each of the last three years, the normal having been made possible only because of the large volume of new construction.

The windstorm figures for 1938 showed premiums of \$4,425,709 and losses of \$2,040,308 for a ratio of 46 percent and for the five-year period, they totaled \$19,502,912 with losses of \$8,497,722 for a ratio of 44 percent.

The 1938 expense ratio for fire was 46.95 percent and for windstorm 48.70 percent. The five-year total showed ex-

(CONTINUED ON LAST PAGE)

## Agree on Single Ill. Marine Bureau

### Various Elements Agree to Join in Project to Control Personal Property Floater

The various elements in the marine business—I. M. U. A., non-I. M. U. A. and mutual—have now agreed with the Illinois department to belong to a single bureau in the state that will have jurisdiction over the rates and rules for writing the so-called personal property floater. Most of the companies belonging to the I. M. U. A. had set up an office called the Illinois Personal Property Floater Bureau, for that purpose and 17 of the non-I. M. U. A. stock companies took steps to organize an independent bureau. The department desires that there be but one bureau. At a preliminary conference, the department said that it would not require that the bureau exercise jurisdiction over rates of commission.

Then a two-day meeting was held by department representatives and committees from the I. M. U. A. and non-I. M. U. A. groups. Those conferees agreed upon a plan for a single bureau and the next day a committee of mutual representatives met with the department and agreed to join that bureau.

#### Rates and Rules Revised

The rates and rules that the IPPFB had promulgated to become effective May 1, will be revised in several particulars. At the I. M. U. A. headquarters in New York there are now being prepared new rates and rules and by-laws. It is expected that in about a week this work will be completed and official announcement will be made. The date for the plan to go into effect has been set ahead to June 1. The name of the bureau has not been decided upon, but the department said that it must include the word "householder," in view of the fact that the rating law specifies that "householder's personal property floater risks" are subject to rate control.

The department insists that a resident manager that has authority to act be placed in charge. The manager of the IPPFB was to have been H. L. Wayne, secretary of the Inland Marine Underwriters Association, who would naturally have spent most of his time in New York.

Although the Illinois department is not requiring that commissions be a subject for regulation by the bureau, some observers believe that the rules may be

## Fire Losses in March Up 5.6 Percent Over 1938

NEW YORK—Fire losses the country over in March, the National Board reports, totaled \$30,682,168, an increase of 4.7 percent over the preceding month and 5.6 percent more than in March, 1938. Losses last month exceeded those of any other March in the preceding six years.

With the addition of the March figures, the total losses for the first quarter of 1939 are \$87,601,004, compared with \$83,199,931 for the like period of last year.

Figures for each of the three months of this year and for the corresponding periods of 1938 are:

	1939	1938
January .....	\$27,615,316	\$27,676,337
February .....	29,303,520	26,472,626
March .....	30,682,168	29,050,968
Total .....	\$87,601,004	\$83,199,931

## A. B. Grant, Marine Veteran, Retires

A. B. Grant, who has completed 40 years of service with Thames & Mersey Marine, is retiring from active service a little earlier than is normally permitted. His retirement comes at the time when the various marine functions of the Royal-Liverpool group are being consolidated. Mr. Grant joined Thames & Mersey in 1898 and served his apprenticeship in the Liverpool head office. He later held a responsible position in the underwriting and claims department. He served during the war and in 1919 came to the New York office.

He became United States manager of Thames & Mersey in 1937 after having served as deputy assistant manager and assistant manager. He helped to organize the adjustment committee of the Board of Underwriters of New York and became its first chairman. Later he served as chairman of the board's committee on averages and arbitration. He has served as a director of the Board of Underwriters of New York, American Institute of Marine Underwriters, United States Salvage Association and American Marine Insurance Syndicate.

extended to include that feature if the department is successful in getting state control of commissions in other lines of the business.

Morris Swan has resigned from the Frank Burns general agency, Seattle, and will establish a local agency at Vancouver, Wash.

## Maintain Standards, Avoid Outside Rule, Buck Urges W. U. A.

### President Praises Thomas, Recalls 60th Anniversary in Annual Report

WHITE SULPHUR SPRINGS—Pointing to almost 60 years of achievement, S. M. Buck, Chicago, vice-president Great American, in his presidential report at the meeting of the Western Underwriters Association, urged the companies to adhere to their principles and to avoid federal and further state regulation and not to yield to the present pressure from buyers and agents to deviate. Present troubles, he maintained, are caused primarily by reduced premium volume and there is no indication that this situation will change immediately. The business, however, is fundamentally sound and operating results are satisfactory. Any change from the charted course, either in the direction of more governmental regulation or toward the opposite pole of relaxed self-regulation would only be a temporary expedient and would be regretted in the long run.

"The experience of the past year," said Mr. Buck, "shows again we are not exempt from the forces which have reduced the turnover for every other business comparable with our own. Compared with a year ago, our business is in a deeper trough of buyers' market, and the reduced amount of aggregate premiums for distribution has had the effect of accentuating the competition between companies for agency favor." The aggregate premium and loss figures for 1938 are not as favorable as 1937, but are satisfactory.

#### Founding of the Union

The present meeting, pointed out Mr. Buck, comes very close to the 60th anniversary of the informal meeting at Cincinnati, May 29, 1879, when six stalwart fire insurance figures of that period took the first step toward the formation of the Union, the predecessor of the W. U. A. On June 10 of that year, in Chicago, 19 managers and company ex-

(CONTINUED ON PAGE 32)

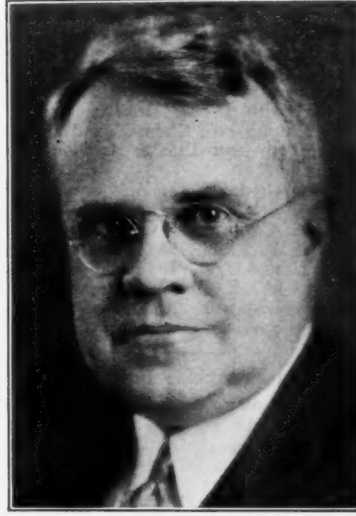
## LEADERS AT W. U. A. MEETING AT WHITE SULPHUR SPRINGS



S. M. BUCK, Great American President



J. C. HARDING, Springfield F. & M. Chairman Governing Committee



C. H. SMITH, Hartford Fire Vice-president



C. F. THOMAS Secretary-Manager



# Fire Premiums Retained, Reinsured 1938

The exhibit presented herewith is the second installment of the analysis of premiums written in 1938 by leading fire companies based on net premiums retained and net premiums reinsured. The first installment was printed April 6. The companies given in this table are those operating in Illinois that had total net fire premiums written before reinsurance of \$1,000,000 or more. The factory mutual companies are not included. In column 1, net fire premiums written

after reinsurance are shown; column 2, net losses paid, and in column 3, the loss ratio on the net retained basis.

Column 4 gives the net reinsurance premiums ceded; column five gives losses paid by reinsurers, and in column six, the loss ratio on premiums reinsured basis is given.

Column 7 gives percentage net fire premiums reinsured to premiums retained.

In column 8 are given total net premiums retained for all classes of busi-

ness. Column 9 gives total net losses paid for all lines and column 10 gives loss ratio on total net retained basis.

In column 11 and column 12 are found the total net premiums ceded on all lines and the total net losses paid on all lines, respectively. The loss ratio on a total net premium reinsured basis is shown in column 13.

Column 14 gives the ratio of premiums reinsured in all lines to premiums retained in all lines.

## FIRE PREMIUMS RETAINED AND REINSURED 1938

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Granite State	1,056,162	429,596	40.6	422,106	175,675	41.6	39.9	1,243,429	519,263	41.7	474,678	289,292	60.9	38.1
Great American	9,593,457	3,696,968	38.5	4,824,820	2,248,826	45.6	50.2	13,240,679	5,726,080	43.2	6,403,119	3,062,278	47.8	48.3
Gulf	1,111,299	349,807	31.4	421,753	179,277	42.5	37.9	2,093,163	693,837	33.1	610,666	238,642	39.0	29.1
Hanover Fire	3,326,711	1,302,778	39.1	1,079,392	398,373	36.9	32.4	5,233,927	2,399,425	45.8	2,635,763	613,425	23.2	50.3
Hdwe. Dirs. Mut.	3,769,989	1,049,682	27.8	345,408	100,810	29.1	9.1	4,490,863	1,255,692	27.9	807,516	217,607	26.9	17.9
Hdwe. Mut., Minn.*	3,444,367	1,345,769	39.0	311,426	175,358	56.3	9.0	4,134,801	1,611,166	38.9	336,274	176,505	52.4	8.1
Hartford Fire	2,282,331	8,501,201	37.2	3,676,676	1,032,716	28.0	18.1	36,838,581	15,252,570	41.4	5,481,650	1,902,479	34.7	14.8
Home F. & M.	1,675,905	593,099	35.3	292,640	116,590	39.8	17.4	2,297,540	919,544	40.0	1,213,702	703,731	57.9	52.8
Home, N. Y.	24,647,575	9,467,228	38.4	13,507,288	5,257,431	38.9	54.8	49,496,344	27,520,212	55.6	25,410,609	13,736,338	54.0	51.3
Homestead Fire	596,747	194,818	32.6	610,459	275,314	42.9	107.3	1,198,500	642,045	53.5	1,206,696	673,629	55.8	100.6
Imperial Assur.	722,622	264,242	36.5	814,263	404,865	49.7	112.6	1,312,327	359,897	39.4	977,005	471,769	48.2	106.9
Ind. Lumb. Mut.	1,539,623	598,776	38.8	1,177,869	399,795	33.9	76.5	1,892,487	774,853	40.9	1,340,459	456,299	34.0	70.8
Ins. Co. Amer.	13,191,999	4,728,157	35.8	2,317,453	1,110,881	47.9	17.5	23,315,795	9,711,595	41.6	5,527,155	2,825,043	51.1	23.7
Ins. Co. State of Pa.	1,287,317	448,712	34.8	466,743	221,245	47.4	36.2	2,013,316	796,531	39.5	890,342	440,755	49.5	44.2
International, N. Y.	1,362,942	703,076	51.5	908,929	486,822	53.5	66.6	1,621,988	881,791	54.3	1,081,682	610,567	56.4	66.6
Inter-Ocean Re.	2,105,347	766,562	36.4	567,032	190,042	33.5	26.9	3,089,946	1,201,339	38.8	1,253,618	437,231	34.8	40.5
Jersey, N. Y.	1,117,919	395,253	35.3	459,490	183,075	39.8	41.1	2,189,291	936,049	42.7	524,310	209,520	39.9	23.9
Knickerbocker	1,644,790	652,392	39.6	1,518,156	1,000,627	65.9	92.3	1,986,713	823,230	41.4	1,686,739	1,095,973	64.9	84.9
L. & L. G.	2,361,929	5,855,954	40.3	7,606,526	3,033,217	39.8	129.9	7,776,099	3,261,690	41.9	9,857,379	3,223,655	32.8	126.7
London & Lanc.	2,380,195	940,149	39.4	1,203,721	382,945	31.8	60.5	3,206,812	1,362,862	42.4	1,305,938	426,223	32.6	40.7
London Assur.	2,009,189	790,833	39.3	837,519	445,586	53.2	41.6	3,667,412	1,650,866	45.0	1,506,061	753,333	50.0	41.0
Lumb. Mut., Mass.	1,201,107	472,852	39.3	793,450	552,532	69.6	66.0	1,320,897	565,611	42.4	825,061	573,775	69.5	61.9
Lumbermen's, Pa.	775,490	291,528	37.5	987,360	541,660	54.8	127.3	1,204,449	622,383	51.6	1,247,553	685,348	54.9	103.5
Lumb. Mut. Fire, O.	1,761,444	554,554	31.4	447,334	169,534	37.8	25.3	2,181,525	708,966	32.4	486,645	172,447	35.4	22.3
Mass. F. & M.	347,173	137,290	39.5	744,677	364,588	48.9	21.4	443,001	182,271	41.1	1,087,065	599,726	55.1	245.3
Mech. & Traders.	679,956	256,040	37.6	834,553	290,885	34.8	122.7	1,050,820	474,088	45.1	1,254,779	565,264	45.0	119.4
Mercantile	1,327,470	478,642	36.0	348,253	186,968	53.6	26.2	2,051,706	802,977	39.1	514,175	297,084	57.7	25.0
Merch. & Manuf.	1,207,538	620,988	43.1	1,272,542	490,304	38.5	105.3	1,475,378	653,100	44.2	1,486,109	584,087	39.3	100.7
Merch. Fire, N. Y.	1,327,538	985,049	34.7	908,007	334,766	35.8	32.0	4,261,300	1,711,135	40.1	1,222,326	476,110	38.9	28.6
Merchants, Colo.	748,564	300,963	40.2	277,773	129,247	46.5	37.1	1,019,710	419,273	41.1	306,583	134,361	43.7	30.9
Merchants, R. I.	1,136,439	414,450	36.4	947,704	341,569	45.5	83.3	1,415,546	539,987	38.1	1,215,059	587,361	48.3	85.8
Mercury	1,315,747	618,838	47.0	198,401	76,593	38.6	15.0	2,064,414	978,083	47.3	296,740	164,021	55.2	14.3
Metropolitan Fire	1,079,010	578,852	53.6	78,483	38,044	48.4	7.3	1,245,168	660,677	53.0	115,192	50,881	44.1	9.2
Mich. F. & M.	992,177	408,538	41.1	1,366,845	674,533	49.3	137.7	1,458,092	676,787	46.4	1,996,294	1,003,728	50.2	136.9
Mich. Mfrs. Mut.	1,841,055	606,268	32.9	159,612	153,385	96.0	8.6	2,085,679	676,401	32.4	230,853	212,110	91.8	11.0
Millers Mut., Ill.	1,384,060	376,313	27.1	82,432	31,102	37.7	6.9	1,656,592	480,070	28.9	122,642	69,320	56.5	7.5
Millers Mut., Tex.	924,968	259,543	28.0	117,109	59,048	50.4	12.6	1,109,487	317,338	28.5	151,510	78,315	51.6	13.6
Millers Nat'l. Non-Asses.	1,621,413	554,263	34.1	619,179	391,730	63.2	38.1	3,296,483	1,225,709	37.1	734,842	422,084	58.9	22.2
Millers Nat'l. Assessable	560,133	171,859	30.6	7,998	1,965	24.5	1.4							
Mill Owners Mut., Ia.	1,672,901	446,899	26.7	81,723	55,284	67.6	4.8	1,991,963	544,759	28.7	149,658	83,346	55.6	7.9
Non-Assessable	33,118	6,799	20.5	2,518	1	7.6								
Milwaukee Mec.	2,266,044	1,042,610	31.9	3,065,316	1,197,545	39.0	93.8	4,355,614	1,476,443	33.8	4,093,625	1,595,097	38.9	93.9
Minn. Impl. Mut.	4,099,008	1,299,744	31.7	400,194	301,925	75.4	9.7	4,775,747	1,552,065	32.4	468,949	337,169	71.8	9.8
Monarch Fire	1,125,152	469,148	41.6	810,399	620,399	76.5	72.0	1,773,401	760,856	42.9	1,350,269	1,071,506	79.3	76.1
Natl. Ben Franklin.	1,251,929	381,623	30.4	2,130,123	756,851	35.5	170.1	1,662,248	539,913	32.4	2,650,676	976,308	36.8	159.4
National Fire	9,153,258	3,446,695	37.6	3,395,145	1,356,580	39.9	37.0	14,145,656	6,381,962	45.1	4,410,676	2,102,324	47.6	31.1
National Liberty	4,400,816	1,667,952	37.9	2,230,967	1,132,373	35.0	73.4	6,066,929	2,761,530	45.6	5,081,728	2,320,471	45.6	83.7
National Res.	370,787	318,273	36.5	205,330	86,791	42.2	23.5	1,318,085	549,092	41.5	220,774	128,350	58.1	16.7

\*Nonassessable income and disbursements only, assessable fire pre m. income 1938 was \$92,953, total net prem. \$96,927, no reinsurance. Losses paid under assessable policies were net fire loss \$33,026, total net losses \$34,611. No reinsurance.

## War Risk Rates Sensitive Today

NEW YORK—Marine underwriters are still charging the war risk rates adopted April 14. Close touch with the European situation is being maintained and any pronounced change would be promptly followed by a further rate revision.

While there is a steady demand for coverage exports are not being made in such quantity as in the world war period or even during the tense days of last September.

While most of the rates determined upon last Friday are substantially higher than those previously quoted those charged on exports to the United Kingdom and continental Europe (excluding Germany, Baltic ports, Mediterranean, Black Sea), Atlantic and Gulf ports on this continent were slightly reduced.

Rates on imports and exports from or to Baltic ports excluding German ports are 1½ percent under foreign flag and 1¼ percent under American flag. The Association of Japanese Underwriters is reported to have increased rates on war risk covers by approximately 450 percent.

Norway's 2,000 merchant ships have been instructed to tune in daily with a radio review of the international situation. Should war break out they will be advised of rival fleet groupings, affording opportunity to reach allied or neutral ports.

On Transatlantic shipments of gold American underwriters Monday decided to meet the rate in Great Britain of 7½ cents per \$100 value, thus canceling

much of the recent 200 percent increase. Until Tuesday the rate had been 18½ cents per \$100 gold brought from England to this city. Prior to the advance the rate had been 6¼ cents.

## Los Angeles Insurance Lectures

LOS ANGELES—Those who are taking the insurance course offered by the Los Angeles board of education on its adult education program will visit the office of District C, Pacific Board, April 27, when Assistant Secretary L. H. Earle will explain the aims, objects and working facilities of the board.

April 18 the lesson subject was "Automobile Insurance on Trucks," with George Neal, Commercial Standard, as lecturer; April 20, "Accident and Health," with L. M. DeWitt, Federal Life, speaking on "Claims," and F. M. Dibble, Provident Life & Accident, on "Producing."

Other scheduled sessions are: April 25, "Why Sell Accident & Health," W. E. Mast, Continental Casualty; "Production," W. L. Thomas, Massachusetts Bonding, and "A Visit to Lloyds of London," W. E. Leiby, Massachusetts Indemnity; May 2, "Risk Analysis," C. A. Aiken, special agent Aetna Casualty.

## Issue San Francisco Fair Map

A handy map, showing the location of all buildings, exhibits and sectors of the Golden Gate International Exposition on Treasure Island in San Francisco Bay has been published and being distributed by the Hartford Fire and Hartford Accident. With one fold to a convenient size to carry in the pocket, the map was arranged by the map division of the National Automobile Club.

## Issue of National Membership Up to Ohio Rank and File

COLUMBUS—Although the membership of the Ohio Association of Insurance Agents has, association officials report, "displayed a remarkably unanimity in supporting the action of the board of trustees in withdrawing from the National Association of Insurance Agents, and there has been no criticism of the withdrawal itself, the board of trustees, in whom the power to take such action is now vested, feels that in the future matters of this character should be determined by a majority vote of the agency members." Accordingly, the board of trustees is offering an amendment to the constitution to be voted on at the mid-year meeting in Columbus May 19, providing that the power to contract for membership in any organization on behalf of the association or by it for any or all of its members, shall be vested solely in the membership and any proposal for membership, either individually or collectively, shall be voted on by ballot at the annual meeting of the association. The same rule also shall prevail in respect to withdrawing from any association of which the organization may become a member.

Among the speakers at the meeting will be C. B. Plummer, field secretary of the association; D. Roger Kenney, insurance editor "United States Investor," Boston, and Superintendent John A. Lloyd.

## Hold Va. Hearing in Ewell Case

### Consider Charge Against State President Involving "Opinion" on Assessability

A partial hearing was held before the Virginia corporation commission on the complaint brought by Guy C. Bayliss of the Federal Hardware & Implement Mutuals against J. Davis Ewell of Richmond, president Virginia Association of Insurance Agents. The hearing is set for resumption Thursday. Mr. Bayliss testified that Mr. Ewell had delivered an "opinion" of a lawyer concerning the Federal Hardware & Implement Mutuals, to W. Chester Evans of the real estate firm of Morton G. Thalheimer.

Mr. Evans, in his testimony, said he had received the opinion from Mr. Ewell and that he was "frightened" by it. He said that the opinion made him "lean from mutuals to stock companies." However, he stated that the opinion had not caused him to cancel any of the mutual policies that he carried. He testified that about 85 percent of his business is in stock companies and 15 percent in mutuals.

### Character Witnesses Heard

Four character witnesses took the stand in behalf of Mr. Ewell. They were: M. G. Thalheimer, who is head of the real estate company with which Mr. Evans is connected; E. T. DeJarnette, president Richmond Insurance Exchange; Stuart Ragland and Donald Hancock, prominent local agents. In response to a question, Mr. Evans said: "Dave (Mr. Ewell) has not said anything to me that would hurt any individual company. Davis Ewell is 100 percent responsible and wouldn't make a misstatement even if he would get five times as much insurance by it."

Mr. Ewell said that the "opinion" had been given him last August by A. J. McDavid, a field man. Mr. Ewell mentioned this document to Mr. Evans, who expressed a desire to see it. Mr. Ewell said at that time he did not know that Mr. Evans had any insurance with the Federal Hardware & Implement Mutuals and he sent him the "opinion" merely to see what his reaction was, just as he might have sent him a newspaper clipping. Mr. Ewell said that in his letter of transmission to Mr. Evans he said that he agreed with the "principle" of the opinion but that he had made it clear that the "principle," which he was referring to was the assertion that holders of nonassessable mutual policies may be assessable if the interests of third parties are involved.

### Text of Law May Not Be Last Word

Counsel for the plaintiff asked whether Mr. Ewell was acquainted with the fact that the Virginia law specifically limits the assessability of nonassessable policyholders. Mr. Ewell said that he realized that fact, but that nevertheless he believed that holders of nonassessable policies could be assessed when third parties were involved. Counsel for the plaintiff cited about 20 cases in which he said the courts had passed on the point and had held that such policies could not be assessed beyond the limits of the state laws.

George A. Peery, statistician for the Virginia department, and C. W. Harris, fire rate clerk, testified as to the kind of policies issued by mutuals in Virginia. Under the charters of most of them, the policies are nonassessable. The others issue policies limited to one additional assessment.

### Brodwolf With T. G. Linnell

Thomas G. Linnell, Inc., general agents of Minneapolis, has appointed Stephen Brodolf as field supervisor. He has had many years' experience in the insurance field and was connected with the American Appraisal Co. for some years.



## Virginia Contest Is Watched on Numerous Fronts

### To Hear Arguments Over New License and Countersignature Law

RICHMOND, VA.—Arguments will be heard before a three-judge federal court here April 26 on the case brought by a number of casualty companies contesting the legality of the new agency license and countersignature law. Briefs are now being completed and will be filed this week. Already a temporary restraining order has been issued prohibiting the enforcement of the law. The arguments will be on the effort to make the order an injunction. Evidence has already been taken.

Attorney A. D. Christian of this city represents the companies but he has the advantage of help and suggestions from some of their attorneys. The companies are challenging the constitutionality of the entire act. The attorney-general is appearing for the commonwealth. He is being buttressed by General Counsel W. H. Bennett of the National Association of Insurance Agents, who appears as amicus curiae.

#### Two Features of the Law

There are two provisions of the act under fire, one prohibiting signature by a salaried company official to a policy, the other providing that when an outside agent controls Virginia business, the policy must be countersigned by a resident agent on a commission basis who shall receive 50 percent of the commission. The court may hold the latter provision unconstitutional and not the former or the entire law may be held invalid.

The agents are much more concerned with the first than the last feature. In fact at the National association midyear meeting it was contended by the central west conference that the two should be separate acts and should not be entwined. The outcome of the Virginia case will be watched with interest the country over. Already litigation has been started in Louisiana where the same issues are involved. It is a live subject and the final adjudication will serve to clear the atmosphere.

The Virginia Association of Insurance Agents and the Virginia insurance department sponsored the bill. North Carolina has had such a measure for some time and it irked Virginia agents who control considerable business in North Carolina to pay half the commission to North Carolina agents who did nothing but sign the policies. More in the way of retaliation therefore, was the second part of the act invoked. The Virginia agents have gone to considerable expense in the legal preliminaries. They would prefer that the amount of commission be left to private agreement or have a provision that the resident agent receive not over 5 percent. The artificial barriers put around some of the states are proving a serious obstacle to the normal flow of insurance.

If the law prescribing a fixed percentage of commission for interstate transactions is upheld, then the door is opened for the state to establish a definite scale of commission for intrastate insurance.

#### FCIC Pays First Crop Loss

John F. Biggs of Floyd county, Tex., is the first wheat grower to collect an indemnity payment under the federal

crop insurance program. He received a check for \$129.32 to compensate him for the total loss of his share in a 52-acre wheat crop.

Biggs took out a crop policy last fall on 52.5 acres of wheat planted on rented land. The average yield of the land, on the basis of its past history, was 9.3 bushels an acre, and the crop seeded for 1939 harvest was insured for 75 percent of this yield. To insure his two-thirds interest in the crop Biggs paid a premium of 31.5 bushels of wheat, the cash equivalent of which was \$14.50.

The insured crop suffered an early complete loss as a result of drought and

wind. It was determined that the grower was entitled to an indemnity of 245 bushels, his entire insured interest in the crop. The grower elected to receive his indemnity in cash equivalent.

Settlement will be made only on approved claims where no wheat on the farm will be left for harvest. Where the amount of loss cannot be measured until the remaining grain is actually threshed settlement will be made just as soon as the damaged crop has been harvested.

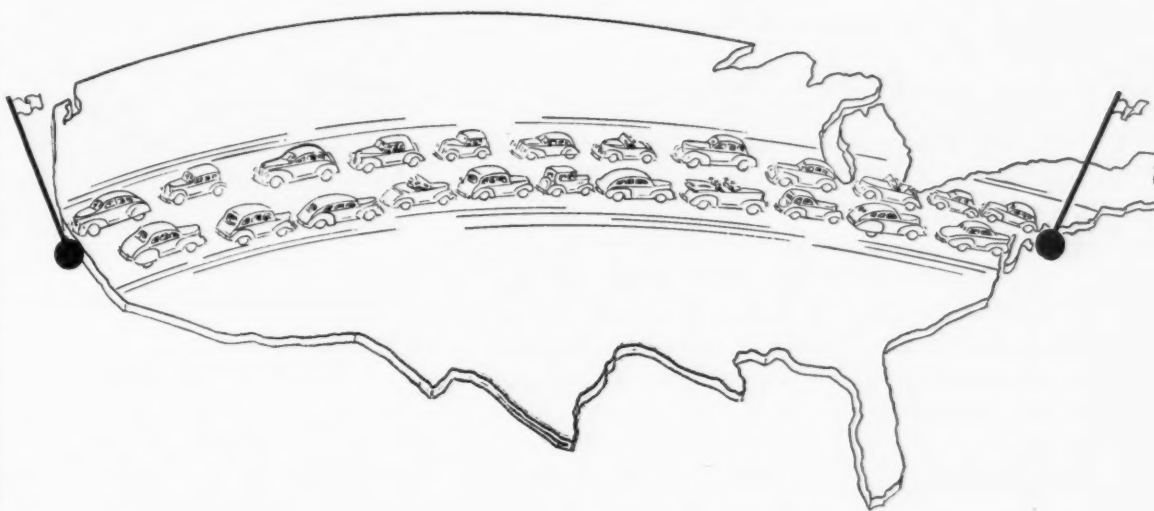
The insurance reserve of FCIC, held in wheat in storage, now amounts to approximately 4,500,000 bushels.

### Conversion to Columbia of New York Is Completed

Conversion of Columbia of Jersey City to Columbia of New York has now been effected. The continuing company possesses the same assets that were maintained by the New Jersey corporation and the management is exactly the same. It is a member of the Phoenix of London group.

The Transportation of Chicago, running mate of the Continental Casualty, has been licensed in Minnesota.

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## NEWS OF FIELD MEN

### America Fore New England Changes

America Fore has appointed George W. Hart as manager of the Boston office of Niagara Fire and Maryland, following the recent sudden death of Clifford H. Rice who for many years was the Boston manager. The firm

name of the office of Rice & Whitney will remain unchanged.

For many years Mr. Hart served as Mr. Rice's right hand man. He started as an office boy at the home office of Niagara Fire in 1894. In 1909 he was appointed an assistant special agent at Boston. He was made assistant manager for the Boston branch in 1922 and since 1934 has been co-manager.

Herbert H. Plummer, formerly special agent for Niagara and Maryland for

Maine, New Hampshire, Vermont, eastern Massachusetts and Rhode Island, has been made state agent and will supervise eastern Massachusetts and Rhode Island.

Albert H. Langlois, special agent for Niagara and Maryland, who also covered the above mentioned territories, will go to Portland, Me., and henceforth concentrate on Maine for those two companies.

State Agent William J. Hutchins of Manchester, N. H., who supervises the business of the other fire companies of the America Fore group for New Hampshire and Vermont, will now in

addition take on Niagara and Maryland assisted by Special Agent E. W. Greer who covers the same field.

### Grand Nest Meeting Program Announced

Allen C. Guy, Western Adjustment, Columbus, has announced the program for the forthcoming Grand Nest meeting of the Blue Goose at Hotel Netherland Plaza, Cincinnati Aug. 27-31. Mr. Guy is general chairman of the Ohio pond's grand nest committee.

Aug. 28—Grand Nest officers meeting, 10 a. m. and 2 p. m.  
Smoker 8-12 p. m.

Aug. 29—Registration, 9-5 o'clock, 4th Floor Foyer.

International Golf Tournament, Ohio Pond tournament, Western Hills Golf Club, noon.

Entertainment and sightseeing for non-golfers (men and women) 1:30-5:30 p. m.

Cocktails and dancing, 9-1 p. m. (informal).

Aug. 30—Ohio Fire Underwriters Association Field Club, 9:30 a. m. to 12 o'clock.

Grand Assembly (men and women), 9:30 a. m. to 5 p. m.

Luncheon (men), 12:15.

Bridge and refreshments (women), 2-4 p. m.

River boat trip to Coney Island amusement park and dinner at Clubhouse (men and women), 5:30 p. m.

Return to Cincinnati by boat 8:45 p. m., followed by River Showboat, 10 p. m.

Aug. 31—Grand Nest meeting, 9:30 a. m. Joint luncheon.

Memorial service, 2 p. m.

Cocktail Hour, 6:30 p. m.

Banquet and dance 7 p. m. (dress optional).

R. W. Hukill, Great American, Norwood, O., is most loyal grand gander. An attendance of 1,200 is expected. The Netherland Plaza is air-conditioned. G. J. Burrer, Travelers, 1313 Carew Tower, Cincinnati, is in charge of reservations.

### H. R. Lamy Is New Michigan State Agent of Security

H. R. Lamy has been appointed Michigan state agent for Security of New Haven succeeding J. J. Hubbell, who has been transferred to the head office as general agent in the western department. Mr. Lamy will have his headquarters at 708 Michigan building, Detroit. He was formerly special agent for Travelers Fire, serving for a brief period at Cleveland and having had considerable experience in the Detroit office of Travelers. He was connected with the Michigan Inspection Bureau in Detroit for 12 years. He will handle the business of Security, East & West and Connecticut Indemnity.

### Expand San Francisco Glee Club

The San Francisco Blue Goose glee club of 45 voices is being expanded to 100 for "Insurance Day" at the Golden Gate International Exposition, June 24. In charge are Elmer Bonstin, vice-president Pacific National Fire, and George Cusick, of Hinchman, Rolph & Landis.

Lieut. Commander S. F. Bryant, retired navy officer, spoke before the San Francisco pond on "Power Politics and the Destiny of the Pacific." The annual golf tournament and dinner dance will be held May 27 at the Mount Diablo Country Club.

### Perry G. Dawson to Ohio Field

Perry G. Dawson has been assigned to the Ohio field by London & Lancashire as special agent assisting State Agent R. W. Leedy, with headquarters in the Harter Bank building, Canton.

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### The Author

Mr. Myers has spent his entire business life with outstanding insurance agencies and brokerage offices, charged with the responsibility of properly covering some of the largest businesses in the country. He started his insurance career 27 years ago with the D. A. Fisher agency at Memphis. After the war he served with Willcox, Peck, Brown & Crosby in New York. Since 1920 he has been with Marsh & McLennan in Chicago and now occupies the position of assistant vice president of this outstanding insurance firm.

Mr. Myers did not start out to write a book. THE MANUFACTURER AND INSURANCE began years ago when he undertook to put his methods of writing and checking policies on paper for the guidance of other members of his organization. The collected material, representing years of work on Mr. Myers' part, revised and constantly kept up to date, became of such value that we asked Mr. Myers to make it available to the entire insurance world.

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Lawrence S. Myers

### Contents of Book

Fire insurance—explosion—riot and civil commotion—windstorm—sprinkler leakage—aircraft and automobile damage—earthquake—water damage—flood—combination covers—improvements and betterments—legal liability. Use and occupancy—profit—rent—leasehold. Automobile fire, theft and collision—aircraft on hulls—mail and parcel post—all risk and other special covers—inland transportation—ocean cargo. Boiler and machinery—boiler and machinery use and occupancy—power interruption. Burglary—robbery—fidelity bonds—check forgery and alteration. Workmen's compensation and employers' liability—manufacturers' public liability—property damage endorsement—contingent liability and property damage—automobile liability and property damage—non-ownership automobile—aircraft liability and property damage—miscellaneous notes. Miscellaneous lines. Fire, accident and miscellaneous loss prevention.

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### The NATIONAL UNDERWRITER

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Chicago New York



Mr. Dawson has been connected with the western department of London & Lancashire for 15 years, having started as a youngster. Lately he has been an examiner. The London & Lancashire field organization in Ohio now embraces four men, including the state agent.

#### F. W. Mountain to Michigan

The Aetna Fire group announces the appointment of Fletcher W. Mountain as special agent in Michigan. Mr. Mountain has earned this promotion by the efficient service he has rendered in the western department. He is a brother of Harry M. Mountain, state agent for the companies at Kansas City.

#### Farewell Dinner to Fischer

The office staff and field men of the Home's Indiana state office at Indianapolis gave a farewell dinner to L. J. Fischer, who has been Indiana state agent and goes to Chicago May 1 as assistant general manager. E. H. Johnson, Indiana special agent and dean of the Indiana field staff, represented the office in presenting Mr. Fischer a large walnut cellolette. There were also other gifts. Mr. Fischer has been in the Indiana field 19 years. A. E. Bulau, who has gone to Indiana from Ohio to succeed Mr. Fischer as state agent, spoke briefly.

#### Straka Nebraska State Agent

Elmer D. Straka has been appointed Nebraska state agent for National Fire succeeding the late John S. Palmer. His headquarters will be in Omaha. He entered the business with the Columbia Fire Underwriters Agency, an affiliate of the National group.

In 1921 Mr. Straka became an examiner in the Omaha service offices of National Fire. In 1923 he was appointed special agent, and since then at various times he has traveled Nebraska. During the past few years he has had immediate supervision over eastern Nebraska and a portion of central Nebraska. He will continue to be immediately in charge of that territory, including the cities of Omaha and Lincoln.

#### Wisconsin Meetings June 27-29

Wisconsin field organizations will hold their annual meetings at Lake Lawn resort, Delavan, Wis., June 27-29. For several years these meetings have been held at Elkhart Lake.

#### J. R. Lossman to Columbus

J. R. Lossman, formerly special agent and engineer for Pearl in Cleveland, has been transferred to Columbus, where he will serve as state agent with headquarters in the Ohio State Savings building. Mr. Lossman is a graduate of Armour Institute of Technology and spent six years with the Ohio Inspection Bureau. He attended John Marshall and Cleveland Law schools. He joined Pearl in 1936.

#### Anthracite Club Meets April 25

The Anthracite Field Club of Pennsylvania will meet in Wilkes-Barre April 25. T. M. B. Hicks, industrial commissioner of the Wilkes-Barre chamber of commerce, will speak.

#### Woodmancy to Northern Ohio

The St. Paul Fire & Marine group has transferred Harold Woodmancy from the home office to northern Ohio as special agent assisting State Agent E. O. Pierce, with headquarters at Cleveland. Mr. Woodmancy has been with the companies in various capacities for a number of years.

Two town inspections are scheduled for Tuesday of next week—Bereford, by the South Dakota Fire Prevention Association, and Albert Lea, by the

Additional Fire Insurance News on Page 20.

## Councillors of Far West Hold Session

**D. B. Goldsmith Made  
Chairman, Frank England,  
Jr., Secretary at Salt Lake**

SALT LAKE CITY—The Association of National Councillors of the National Association of Insurance Agents for Far West Territory met here for a two-day conference. Attending were: Harry Anthony, Spokane, Wash.; Robert Schmeer, Portland, Ore.; G. C. Appleton, Fresno, Cal.; D. B. Goldsmith, San Diego, Cal.; Harry Talmadge, Tucson, Ariz.; Frank England, Jr., Denver; Earl McMahon, Bozeman, Mont., and Fred A. Moreton, Salt Lake City. States not represented were Idaho, Nevada and New Mexico. H. H. Lipps, national councillor, Lewiston, Ida., met with an

(CONTINUED ON PAGE 21)

## Home's Marine Department in West Makes Changes

A number of special agency changes have been made by the Home of New York in the middle west marine department. J. H. Roberts, special marine agent Aetna Fire in Cook county, Ill., resigned to travel for the Home in Kansas, Nebraska, Iowa and western Missouri, with Chicago headquarters. He formerly traveled the same territory for Aetna Fire.

Mr. Roberts succeeds Harold F. Kummerow, who was transferred to St. Louis as marine supervisor. There he succeeds Patrick A. Fitzpatrick, who was transferred to Philadelphia in charge of the marine department.

John Birmingham, formerly for 10 years connected with Chubb & Son's marine department, resigned, being appointed by the Home as marine special agent in Illinois and Wisconsin. Mr. Birmingham succeeds Fred Radcliff, who recently went with American of Newark.

## Field Rallies for Home Agents

PEORIA, ILL. — Lester Choate, Peoria, field man for the Home group, and others are directing two educational meetings for local agents in Illinois this week. The first was Wednesday at Pittsfield and the second will be Thursday in Galesburg.

A. H. Knight, Illinois state agent of the Home, has been promoting these regional meetings for agents for some time. Agents representing all branches of the group within a radius of about 50 miles of the place where the meeting is being held are invited. The field men in the particular territory are on hand as well as representatives from the various departments of the group from Chicago and occasionally from New York. These programs have been conducted largely in Illinois but Home is extending the practice and has been holding some meetings in Indiana and Kentucky.

Minnesota association. The following day, the Iowa association will inspect Charles City, and the Tennessee association, Pulaski.

## Act Against Alleged "Fence"

LOS ANGELES—Toplis & Harding, adjusters handling the losses through the burglaries of George Graham, have filed involuntary bankruptcy proceedings against Morris Wasserman and Marbetts, Inc. Wasserman is the jeweler who allegedly has confessed to purchasing stolen jewelry from Graham, and Marbetts, Inc., is owned by Wasserman. The adjusters started the bankruptcy proceedings on behalf of all the companies involved, but only three appear as of record: Fireman's Fund, Aetna Fire, and Union of London. The total losses paid by the companies on the burglaries exceeded \$400,000.

## STATEMENT

### ASSETS

Cash in Banks and on Hand.....	\$1,242,902.85
Government Bonds (United States)...	2,080,341.00
Government Bonds (Canada).....	177,742.00
Railway Bonds.....	517,789.00
Public Utility Bonds.....	610,462.00
Stocks.....	524,030.00
Premiums in Course of Collection...	471,535.53
Reinsurance Recoverable on Losses...	15,807.76

### Total Funds Convertible Into

Cash on Short Notice.....	\$5,640,610.14
School Bonds.....	234,200.00
State, Municipal and County Bonds...	484,787.00
Industrial and Other Bonds.....	241,724.00
Real Estate.....	43,851.83
Accrued Interest on Investments....	39,305.48

**Total Assets.....\$6,684,478.45**

### LIABILITIES

Unpaid Losses, Net.....	\$ 231,673.40
Reserve for Unearned Premiums....	2,797,261.65
Reserve for Accrued Taxes.....	60,000.00
Reserve for Accrued Expenses.....	95,000.00
Reserve for Contingencies.....	800,000.00

**Total Liabilities.....\$3,983,935.05**

Permanent Surplus Fund.....\$1,000,000.00

Add'l Surplus Over All Liabilities... 1,700,543.40

**Total Surplus.....\$2,700,543.40**

## ANALYSIS

## Q's & A's

- Q.** How well is Millers National prepared to meet its "quick" liabilities?
- A.** Millers National could convert \$5,640,610.14, or 84.4% of its assets, into cash on short notice and liquidate without delay its liabilities of \$3,183,935.05 with a large reserve of liquidity to spare. It is a remarkable fact that this Company is 177% liquid.
- Q.** How does its total admitted assets compare with its liabilities?
- A.** Millers National's total admitted assets of \$6,684,478.45 compared to its actual liabilities of \$3,183,935.05 results in a ratio of \$210.00 of assets for each \$100.00 of liability, a ratio of more than 2 to 1.
- Q.** In what other respect does the above statement disclose Millers National's unusual soundness as a fire insurance company?
- A.** More than half of Millers National's admitted assets is actually surplus. To be exact \$3,500,543.40 of surplus, which of course includes \$800,000.00 in Contingency Reserve, is 52.4% of this Company's total admitted assets.

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## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### A. I. U. TAKES ENTIRE FLOOR

The American International Underwriters Corporation, which has been located at 111 John street, New York City, for three years, is now taking over the entire 22nd floor of that building. The increasing demand for its specialized services has necessitated larger quarters. The A. I. U., of which George A. Moszkowski is president, will observe

the 10th anniversary of its active operations this summer.

### ROYAL GROUP BOOSTS FAIR

Royal-Liverpool has sent to its agents an attractive and useful map of the New York City area. The cover design is a panorama sketch of the New York fair with the location of principal buildings indicated. Copies of these maps will be

sent to agents for distribution to selected policyholders, with the agency imprint. The group has established headquarters in its home office building for the convenience of visiting agents and their friends. In a letter to agents, the group urges those going to New York to be sure to arrange hotel accommodations and get confirmation, in advance.

### NO RAIN COVER FOR FAIR OPENING

Holding that the aggregate insurance obtainable from rain writing companies was insufficient to cover the \$500,000 or more gross receipts anticipated for the opening day of the New York World's Fair, April 30, the management of the corporation decided to waive the indemnity, and hope for clear skies.

### EXCHANGE COMMITTEES ORGANIZE

The executive committee of the New York Fire Insurance Exchange has organized by electing J. W. Nichols as chairman and P. W. Barnes as vice-chairman. O. Tregaskis, Sun, has been elected chairman of the arbitration committee and S. D. Mills, vice-chairman. J. J. Magrath, Federal, has been elected chairman of the rates, rules and forms committee and W. J. Reynolds, Corroon & Reynolds, vice-chairman.

Mr. Nichols, on behalf of the executive committee, presented to Harold M. Hess an engrossed resolution in appreciation of his work during the 10 years that he has been manager of the exchange.

### CENTRAL BUREAU NOVEMBER DATA

A decrease of \$61.76 in the aggregate unpaid earned premiums due fire and casualty companies in New York City last November compared with the record of the same month of 1937, is revealed in the newly issued statement of the Central Bureau. In November, 1938, there was due fire companies, \$12,731, as against \$14,031, and casualty companies, \$69,076 as compared with \$67,837.

### HANOVER'S FAIR FACILITIES

For the convenience of agents of Hanover who will visit the New York fair a booklet has been prepared giving information as to hotel and apartment facilities and giving advice on how to see the exhibits. Hanover has established a world's fair department in Rockefeller center, with Agency Superintendent J. W. Doran in charge. Visiting agents will be cordially received by President F. A. Hubbard at the head office.

### LISTS BIG FIRES IN MARCH

New York "Journal of Commerce" lists these fires that occurred in March that are estimated to have cost \$100,000 or more:

Royalston, Mass., toy plant, \$250,000; Alpine, N. J., cancer research laboratory, \$250,000; Great Neck, N. Y., garage and 48 autos, \$200,000; Tottenville, Staten Island, two excursion boats, \$125,000; Philadelphia, garage, \$150,000; Scranton, Pa., overall plant, \$100,000; Somerset, Pa., hotel annex, \$175,000; Charleston, S. C., wood preserving plant and storage yard, \$200,000; Staunton, Va., furniture factory, \$250,000.

Also Buffton, Ind., school, \$125,000; Detroit, furniture warehouse \$100,000; Pipestone, Minn., school, \$125,000; Akron, O., rubber factory warehouse, \$250,000; Newcomerstown, O., faucet plant, \$100,000; Sandusky, O., business block, \$120,000; Tulsa, Okla., lumberyard and Cutstone Company workshop, \$150,000; Fond du Lac, Wis., two cheese warehouses, \$100,000; Bakersfield, Cal., seven freight cars, \$100,000; Berkeley, Cal., reservoir, \$135,000; Rodondo Beach, Cal., school, \$100,000; Deming, N. Mex., sanatorium, \$200,000; Pinedale, Wyo., business block, \$150,000.

### HEARING ON EXCESS PAYMENTS

To learn the extent to which excess brokerage is being paid in New York City, and the identity of those receiving the excess, a hearing was held at the department offices in New York. Representatives of the New York Fire Insurance Exchange and of the five brokerage associations were present. Company members of the exchange

are obligated not to pay nor brokers receive other than the regulation commission. More than 95 percent of the important brokers have pledged themselves to observe such agreement. There are, it is estimated, nearly 800 smaller brokers, whose business is mainly casualty, and who clear their fire lines through larger offices, and hence are not bound directly by the commission limitation regulation. The contention is that some brokers who should be governed by the pledge have been accepting excess payments.

### DO NOT FEAR INVESTIGATION

Fire and casualty companies are not much concerned with the so-called SEC monopoly probe. They have not the same setup as the life companies and their policyholder relationships are entirely different. The National Economic Committee has asked all insurance organizations, stock and mutual, that have jurisdictional authority to file with it answers to certain questions, copy of their rules, purpose of the association, scope, authority, copy of bulletins issued to members, etc.

## CHICAGO

### CREDIT MEN GET GOOD ADVICE

"What Price Fire?" was the subject of an address by Oscar Iber, president of O. Iber Company, mill supplies, Chicago, at the April forum of the Chicago Association of Credit Men. His talk was a dramatization of an executive's feelings in watching his establishment burn with the realization that the company's insurance had been reduced by \$16,000 to save less than \$100 in premium shortly before.

The climax came when he offered a cigar to those credit executives who could solve a simple problem in coinsurance. Only two had the correct answer. In view of this object lesson he recommended that all those present make it their duty to review their own insurance problems immediately.

### W. U. A. STUDIES CHICAGO SETUP

The Chicago committee of the Western Underwriters Association held a meeting the other day to discuss the acquisition cost situation in that city. Two plans for rearranging the rules have been advanced. A special committee of the Chicago Board presented a program and then the Chicago Insurance Agents Association offered an alternative scheme. It is understood that a good many of the company managers, who attended the W. U. A. meeting, expressed the belief that it might be advisable merely to reaffirm the present rules of the Chicago Board and seek to have them enforced religiously.

### VERNON SAFETY TOASTMASTER

R. E. Vernon of the Western Actuarial Bureau will serve as toastmaster at the banquet May 11 during the mid-west safety conference in Chicago, May 9-11. Mr. Vernon is general chairman of the executive committee of the conference.

J. Burr Taylor of the Western Actuarial Bureau will preside at the session on fire prevention May 9. One of the speakers will be Col. Clarence Goldsmith of Chicago, assistant chief engineer National Board.

At the session devoted to occupational disease, W. A. Cook, division of industrial hygiene and engineering research of the Zurich, will give a paper on "Lead Exposure from Molten Lead Baths," and Clark D. Bridges, safety director of Casualty Mutual of Chicago, will talk on "Welding Operations—Extent of Hazard and Relative Importance of Precaution."

### CONTINUE EDUCATIONAL SERIES

The first in a series of educational and Business Development programs for agents conducted by the Cook County Field Club near the end of March was well patronized and very

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beneficial, L. P. Warren, general chairman of the series, reported at the monthly meeting this week. The second series of three meetings will be held April 20 with two speakers from the Chicago Board discussing the store and dwelling tariff, two automobile superintendents and an assistant manager of an automobile department on the comprehensive automobile coverage, and three authorities on rents and rental value insurance. All of the meetings will be in Chicago, starting at luncheons, the places being: North side, New Lawrence Hotel; west side, Graemere Hotel, and south side, Southmoor Hotel. Attendance at the first three meetings in March was over 200 and this is expected to be exceeded this week. Capt. H. W. Spange, former captain in the Danish army who toured Germany last fall, gave observations on conditions there. Ralph Black, president, presided.

#### Chicago Agency's Life Department

The Alliance Assurance agency of Chicago has opened a life department, being appointed general agent by the Globe Life.

#### Kansas City Grand Jury Resumes Deliberations

KANSAS CITY — The federal grand jury which has been investigating the compromise of the Missouri fire insurance rate litigation in 1935, and the income of former Superintendent R. E. O'Malley and T. J. Pendergast, leader of the local Democratic organization, resumed its sessions Monday. The term of the jury, which indicted O'Malley and Pendergast on charges of evading federal income tax payments in 1936 and 1937, has been extended until November.

Judge Otis announced that Pendergast and O'Malley would appear before him May 1 for arraignment.

It is reported that O'Malley may be asked to resign as director of the Kansas city water department because of the indictment.

At Washington, D. C., a maid in the home of Lambert O'Malley, a son, was arrested on a charge of stealing letters that had been written by Mrs. R. E. O'Malley to Lambert during the course of the grand jury investigation. These letters were published in several newspapers.

The appropriation bill introduced in the Missouri house carried an item of \$125,000 to enable the Missouri department to refund about \$1,800,000 of impounded premiums in the state court case that grew out of the 16½ rate increase in June, 1930.

Walter W. Head, president of the General American Life, has been subpoenaed by the federal grand jury in Kansas City. Also subpoenaed were Alex C. Good, actuary who conducted the examination of Missouri State in 1933 which preceded court pronouncement of its insolvency, and J. M. Crume, Chicago, who appeared before the congressional committee which investigated the receivership of Missouri State as an expert.

O'Malley, following examination of the old Missouri State in 1933, went into court. The company was pronounced insolvent, and O'Malley took charge of its assets. Later a group headed by Mr. Head and David Milton bought Missouri State, formed General American, and reinsured the Missouri State's business.

According to Crume, investigation of this sale by a congressional committee never found outlet in a report. The committee apparently went out of existence with adjournment of Congress at the end of 1936.

There was \$100,000 paid to the insurance department for expenses in connection with the Missouri State receivership, and General American paid legal and court costs, salaries, etc. James P. Aylward, Democratic state chairman and national committeeman, was O'Malley's choice of attorney to handle the proceedings.

#### Program for Midyear Rally of Wisconsin Agents

MILWAUKEE—W. B. Calhoun, program chairman, announced speakers for the mid-year meeting of the Wisconsin Association of Insurance Agents at the Loraine hotel, Madison, April 27. The executive committee will meet in the morning during the period of registration. Members will visit the legislature in session.

On the afternoon program will be Commissioner H. J. Mortensen, L. L. Beach, assistant general counsel Continental Casualty, Chicago; Robert M. Parr, president Madison Insurance Board; D. W. Swanson, St. Paul Fire & Marine, president Wisconsin Fire Underwriters Association; Irven E. Frey, Firemen's of Newark, president Wisconsin Insurance Club; Grover Miller, Racine, executive committee chairman, Wisconsin association; W. Conan Thornton, Fond du Lac, president; W. B. Calhoun, Milwaukee, national councillor; L. C. Hilgemann, Milwaukee, chairman legislative committee and president Insurance Federation of Wisconsin; Irving Mehigan, Milwaukee, legislative counsel Insurance Federation, and Hugh Bird, Beaver Dam, chairman Business Development and rural agents committees of the state association.

Walter Schar, state vice-president and secretary Madison local board, is general chairman of the local arrangements committee. Following the afternoon business session there will be a get-together buffet luncheon. It is planned not to hold an evening meeting, so members can return to their homes the same day. John G. Seidel, state secretary, explained.

#### Ask Wisconsin Department Probe

MADISON, WIS. — The assembly committee on insurance and banking has held a hearing on Joint Resolution No. 61-A, introduced by Assemblyman Reno Trego of Merrill, Wis., requesting a special joint committee to investigate the activities and conduct of the insurance department and certain insurance corporations alleged to be operating unlawfully in this state. No one appeared in opposition to the resolution. Heading those appearing to urge appointment of the investigating committee were Mr. Trego, who is an insurance agent; Calvin Marx of Viroqua, and J. W. Lewis of Janesville, local agents; M. M. Morrissey, attorney, and John Boesel, attorney and former secretary of the Wisconsin Mutual, both of Madison. The second term of Commissioner H. J. Mortensen expires June 30.

#### McFarland Arizona State Agent

R. A. McFarland has been appointed Arizona state agent of the Home of New York group with headquarters at Phoenix. He will be assisted by Special Agent Frank Distel, a graduate of the Home's head office. Mr. McFarland traveled Arizona for the National Liberty for several years before its inclusion in the Home group.

#### Wolverine Makes Good Gains

As a result of its 1938 operations, Wolverine of Lansing increased its surplus \$42,000 and its assets \$100,000. The company is in an unusually liquid position. The stocks owned are at a minimum. The mortgage loans on real estate are all in Lansing, are well managed and have yielded an excellent rate. The 1938 premium income was lowered somewhat because the company withdrew from unprofitable territories, but the discontinuance of the unprofitable business reflected itself favorably in the company's statement of Dec 31.

Jerome P. Bowes, Jr., vice-president of W. A. Alexander & Co., Chicago, was elected a commissioner of Highland Park, Ill., this week.



## LINKS

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## EDITORIAL COMMENT

### Impressive Example in Public Relations

THIS is not a paid reader advertisement for the HOLLYWOOD BEACH HOTEL, Hollywood, Fla., where the NATIONAL ASSOCIATION OF INSURANCE AGENTS, some 750 strong, held its recent mid-year meeting and where some life companies and other insurance groups have foregathered. We cite it as an exemplary study in public relations, as a creator of genuine good will and satisfied patrons.

The genus "public relations counsel" has attempted to create a priesthood whose members alone are authorized and competent to interpret the oracles and lay living hands on the public. They have attempted to devise a mystic formula whereby sacred rites, esoteric, are used with solemnity to influence the people.

Yet the development of good will is comparatively simple. We may regard DALE CARNEGIE'S fulminations as at times too saccharine and yet he has the human viewpoint in ways of extending the circle of friendship. After all when we speak of public relations we mean the expansion of the kingdom of good, loyal friends, both so far as an individual or institution is concerned.

Some folks and some organizations try to purchase friendship in a very crude and apparent manner. Sometimes a few of our insurance friends think by advertising in

daily papers, farm journals, secular magazines, they can enlist their support and silence or modify criticism—a most mistaken idea. Such fealty, if it can be called such, commercially bought, is unreliable and false.

The hostility to which we referred studies the needs and wishes of its guests. It anticipates them. It extends courtesies that may be small but they are arresting. Up and down the line—in the dining room, in the elevators, in the lobby, in the room service, behind the desk, every person, treats a guest as though he or she were the host and responsible for the well being of the patron. There is nothing crass or crude, nothing forced, or artificial—just the spirit of "We appreciate your patronage, we want you to be well satisfied, we are at your service."

The wave of good will grows where people realize that selfishness is kept far in the background, that the mercenary motive is not to the fore, but that what is done and how it is done are prompted by a sincere desire to be of assistance without the uplifted palm.

Go down to this hotel which is open all summer at a most reasonable rate, observe its human organization and study its methods. You will be converted into its booster.

### Lesson of Missouri Rate Case

ONE observation that occurs to us in connection with the MISSOURI situation is that the insurance business in all its branches would do well to entrust its legislative work and other relations with political situations to the legislative agencies that have been set up for that purpose. A special understanding and experience is called for in those relationships and the legislative agencies possess those qualifications. Actual insurance practitioners in dealing with legislative and political situations are likely to do more harm than good. They may think they have some special "in" and possess some special faculty that enables them to deal successfully with politi-

cians, but the most effective work year in and year out will be done by those who have been through the mill and to whom it is all just an old story and nothing to get excited about.

The late C. R. Street got the idea that he was the only man who knew all the angles to the MISSOURI case. It was his preserve and he made it a one-man job. As a matter of fact he seems to have demonstrated ineptness in his dealings even before he made his crucial mistake. It was a job that should have been left to professional legislative men and should never have been tackled by a man whose business it was to manage an insurance office.

### Balkanization in Commission Laws

AT THE meeting of the COUNCIL OF STATE GOVERNMENTS on interstate trade barriers held in Chicago a word or slogan was coined to decry the building of trade fences by states to protect them from invasion of citizens of other commonwealths, it being "Balkanization," signifying that Balkan feuds have long handicapped trade

in that section of Europe. DR. F. E. MELDER, an economist, in his talk, said there are 409 restrictive trade laws that hamper free commerce among the various states.

The passage of laws establishing a definite percentage of commission for a resident agent to countersign a policy written

for a non-resident is an indication of this trend toward setting up barriers to give the resident citizen an undue advantage. We are thus returning to the economic obstacles of the REVOLUTIONARY CONFEDERATION.

This conference seeks to "free America" from what it terms "economic nonsense."

So far as insurance is concerned, the normal course would be to recognize the right of private contract and permit the persons concerned to agree on the commission percentage. We all deplore the loss of business to the agents in their own territory but unfortunately we can not prohibit mass operations. The financial administration of these controlling powers is in some distant city and it is inevitable that at headquarters the insurance arrangements will be made.

The real danger to insurance agents is that if it is constitutional for a state to fix a commission percentage for counter-signature, it is then within its powers to establish a commission schedule for agents on all business inside its boundaries. Do agents desire that?

Furthermore as CONGRESS has power to regulate interstate commerce these laws circumventing the free flow of commodities and services it is generally predicted that the federal government will be forced to take a hand. And while insurance is still regarded as not commerce, yet in the onward march toward centralization at Washington, D. C., it would not require any supreme ingenious ability to find a way to bring insurance under its aegis so that there would be no hampering of its normal functions.

## PERSONAL SIDE OF THE BUSINESS

**E. E. Cole** of New York, eastern manager of General of Seattle, has returned from a trip to the head office and to Honolulu.

**W. B. Flickinger**, retired associate western manager North America, who resides at 502 North Grove avenue, Oak Park, Ill., reaches his 80th birthday anniversary this month. He has returned home from the Presbyterian Hospital, Chicago, where he went for surgical treatment. Mr. Flickinger is a man dearly beloved by all who have come within the radius of his conversation. He says to THE NATIONAL UNDERWRITER: "Am feeling good enough to expect repairs and trimmings on the old machine will let me enjoy the many friendships which have done so much to make my life worth while."

**W. Owen Wilson**, Richmond, Va., was the last agent to leave the Hollywood Beach Hotel, Hollywood, Fla., where the National Association of Insurance Agents held its midyear convention. He returned to his office Wednesday following the meet. The **Frank T. Priests** of Wichita, Kan., have taken a bungalow on the beach and will remain there for a month.

**D. W. Shand** of Chicago, vice-president of Marsh & McLennan, and Mrs. Shand, have returned from a cruise around South America. They sailed from New York, Feb. 11. They visited 19 cities.

**Robert Lecky, Jr.**, is the senior insurance statesman in many ways. He heads his own local agency in Richmond, Va. He is now in his 50th consecutive year of active insurance service, retaining his always acute mental faculties. He is Richmond born and reared. He started his career in the Richmond branch of the old Hamburg Bremen. Later he traveled in the field for that company. Subsequently he became state agent for the Continental and secured its license in Virginia. It was as vice-president and general manager of the old Virginia State that he became well known all over the country. He attended the meetings of the various jurisdictional organizations.

Because of his conviviality, warm heartedness and amiability he was per-

sonally popular. He became well known to field men, executives, department managers. Virginia State was reinsured in Great American. Mr. Lecky sends to a large personal list each Christmas holiday time. In December he included "The Proceedings of the Virginia Convention in the Town of Richmond, March 23, 1775" held in St. John's Church where Patrick Henry made his famous utterance. Mr. Lecky says: "The text was prepared by a group of Richmond gentlemen for the purpose of reproducing the convention in St. John's Church, March 23, 1927. The previous printing (about 500 copies) was used as a souvenir at a national convention held in Richmond and I know of no other publication giving an account of these proceedings concluding with the address of Henry."

**L. E. Crowe**, secretary of the General of Seattle at the home office, passed through Chicago on a trip to the east, conferring with W. A. Miles, Chicago general agent.

**Alfonso Johnson**, manager Dallas Insurance Agents Association, has been elected president of the Rotary Club of Dallas.

**Bert E. Mitchner**, president of the Hutchinson Insurance Board and a past president of the Kansas Association of Insurance Agents, has been appointed director of the newly formed Kansas state commission of revenue and taxation.

**H. T. Moran**, Oklahoma City local agent and secretary of the Oklahoma Association of Insurers, was called to Chicago by the death of his mother, Mrs. H. P. Moran.

**John J. E. Rothery**, grand old man of the insurance business in Boston, observed his 90th birthday last Saturday. His associates in the Gilmour, Rothery & Co. agency filled his private office with flowers and kindly messages. On Monday there was a luncheon in his honor. After some years in the insurance business in New York City, Mr. Rothery went to Boston in 1872 as special agent of the Clinton Fire to help in the adjustment of losses in the great Boston fire. He remained to continue



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in the insurance business in Boston and many years ago became a partner in Gilmour, Rothery & Co., of which he is now the senior member. He is a director in other insurance organizations and takes pride in constant attendance. He goes to his office daily and puts in regular hours.

**Peter M. Schoenberg**, Chicago independent adjuster, is back on the firing line following a five-week vacation, most of which was spent in Florida. He also visited New Orleans and Cuba. Mr. Schoenberg distinguished himself as a deepsea fisherman by landing two tarpon in addition to many other species. He was accompanied by his wife.

**F. J. Breen**, secretary of National Union Fire, has returned to the home office after spending a week divided between Special Agents Edwin R. Pond of Albany, and James F. Moriarty of Rochester. Mr. Breen visited his mother's home in Connecticut.

**W. O. Hildebrand**, secretary-manager Michigan Association of Insurance Agents, while a bit beyond the age limit for baseball recruits, got a "tryout" at the Lakeland, Fla., camp of the Detroit Tigers during his visit to that state to attend the mid-year meeting of the National Association of Insurance Agents. A close friend of Charlie Gehringer, the Tigers' star second baseman, and well acquainted with other members of the team, he donned uniform at the camp and was given a chance to pitch during batting practice. On this occasion Schoolboy Rowe, pitcher on whose comeback effort rests much of the hope for Tiger success this year, served as camera man, obtaining some fine shots with Hildebrand's own movie camera of the Michigan association secretary in action. Mr. Hildebrand drove back to Detroit the automobile of Del Baker, Tiger manager.

**B. K. Clapp** of Atlanta, manager Fire Companies Adjustment Bureau, who was the victim of an automobile accident near the Hollywood Beach Hotel where he was attending the convention of the National Association of Insurance Agents, is now able to return to his business.

**C. D. Wadsworth**, 77, formerly Iowa state agent of the Springfield Fire & Marine, is reported recovering from a stroke of paralysis in the Missouri Methodist hospital at St. Joseph. He left Des Moines about six months ago.

**George W. Blossom, Sr.**, chairman of the board of Fred S. James & Co., of Chicago, suffered a serious attack at his winter home in Pasadena, Cal.

**W. Herbert Stewart** of Chicago, chairman of the National Association of Insurance Agents surety committee, after the agents' Hollywood, Fla., convention, took a trip with Mrs. Stewart by Pan-American "Clipper" to Havana. They visited Spanish friends in that city, being the guests of Mrs. Caridad-Jimenez Vda-de Diaz and her grandson Jose M. Reyes Diaz. Mrs. Diaz' daughter lives in Chicago and is a friend of the Stewarts. On the flight to Havana Mr. Stewart discovered for the first time the difficulties of writing with a fountain pen while high in the air.

**Mary Jane Llewellyn**, daughter of **James W. Llewellyn**, Marion, O., local agent and president of the Marion County Insurance Agents Association, was elected mayor of Marion for a day in the boy and girl scouts citizenship day election.

**R. V. Robinson**, western marine manager of the North America, has been confined to his home because of a broken ankle that he suffered a few days ago in Winnipeg.

The Insurance Women's Club has been formed at **Sacramento, Calif.**, with Mrs. Bessie Lebar of the Valley Agency as president. Secretary Frank C. Colridge of the California Association of Insurance Agents discussed legislative problems.

**William H. Cantwell**, assistant manager at Los Angeles of the Fidelity & Deposit, spoke to the **San Diego Insurance Girls Service Club** on "Bonds."

## DEATHS

**Mrs. Sophia L. Runck**, 83, widow of the late Charles F. Runck, Cincinnati local agent for many years, died after a long illness. Her son, Robert Runck, operates his father's old agency.

**Charles Meegan**, an examiner at the head office of New York Underwriters, died unexpectedly of a heart attack at the age of 52. He had been connected with New York Underwriters for 36 years. For a time he traveled in the Ohio field.

**H. C. Graff**, 64, local agent at Spencer, Ia., since 1921, died there.

**Col. S. M. Nicholson**, president of Nicholson File Company and American Screw Company, who was a director of the Rhode Island and of Manufacturers Mutual Fire and its associated companies, died at his home in Providence, R. I.

**Jewell Fuller**, 69, treasurer of the Charles A. Sexton Co. of Minneapolis for many years, died there. He had been with the Sexton agency and its predecessors for 50 years.

**Frank E. Walsh**, 76, Los Angeles agent, died there. He went to Los Angeles in 1896, establishing his agency in 1890. He remained active in its affairs until his death.

**Richard Dallam**, president of Mutual Fire in Harford County, Bel Air, Md., died at his home in Bel Air after a lingering illness. He was 74 years of age. He graduated from the law department of the University of Maryland. In 1896 he served as secretary of state of Maryland. In 1892 he was elected president of Mutual Fire in Harford County, succeeding his father, Major W. H. Dallam, in that position. The honorary pallbearers at the funeral were directors of Mutual Fire in Harford County.

**Mrs. J. W. Minter**, 51, who had operated a local agency for many years in Wichita, dropped dead while making a business call.

**A. S. Ladd**, 64, prominent in mutual insurance circles in Boston for 45 years, died at his home in West Newton, Mass., following a long illness. He was with the New England Bureau of United Inspection 1893-1898; partner in the Haverhill, Mass., agency of Hamlin & Ladd 1898-1914; was organizer of the Grain Dealers Mutual Fire in 1907 and served as its vice-president and secretary, and also as vice-president and secretary of the Twin Mutual Fire and Twin Mutual Liability, which succeeded the Grain Dealers, and the Approved Service Corporation. He had served as a member of the management committee of the Mutual Reinsurance Bureau of Chicago and was past president of the National Association of Automotive Mutual Insurance Companies.

**Robert Crosby**, 82, local agent of Fond du Lac, Wis., who retired in January, 1938, after about 45 years in the business, died at La Crosse, Wis. A son, W. H. Crosby, is a partner in the agency.

**James Cavanaugh**, for years an examiner in the office of P. J. Moriarty, manager of the Detroit metropolitan department of North British & Mercantile, died suddenly at his desk.

**Bert C. Bobb** of Decatur, Ill., died suddenly at his home. He retired from business several years ago when his health failed. Quite a number of years ago Mr. Bobb traveled in southern Illinois for American Central and Niagara. Later he entered the local business in Decatur and was a member of the firm of Johnson & Bobb, a prominent office. He was 65 years of age.

**T. P. Bogert**, 76, of Providence, for 42 years secretary of the Manufacturers Mutual Fire, died following a minor operation. On his retirement in 1937 he was made secretary emeritus.

**Mrs. Alice J. Davis**, wife of Gordon Davis, vice-president and treasurer of the United Adjustment & Inspection Company, Kansas City, died there.

## LEGISLATION

**New Hampshire**—A bill requiring all participating fire and casualty companies to send dividend notices to policyholders within 60 days after expiration of a policy and prohibiting discrimination in dividends between short term and long term policyholders, has been passed by the house. Written notice must be sent through the resident agent to all policyholders who have not renewed and who have not received their dividends. Dividends must be paid within 10 days.

**Wisconsin**—The bill, in which all fire insurance people are intensely interested, which would restrict the state fire insurance fund to insuring state property only again is showing signs of life in the legislature after having been bogged down. If the bill should pass it would mean that the 498 school districts, 121 cities, villages and towns and 29 counties that are now insured in the state fund would be available for private insurance upon expiration of the policy. For the second time during the present Wisconsin legislative session, the assembly has voted to engross for third reading the bill. The measure was introduced by M. H. Schlytter, a local agent of Wittenberg. A hearing will be held Thursday.

**Maryland**—The following bills have been passed and await action by the governor. House bill 92 provides that companies, after being licensed, shall maintain certain minimum standards of solvency.

House bill 347 defines a life company and adding a new section defining a health and accident insurance company.

House bill 348 eliminates the provision that companies may be incorporated for insurance purposes as mutual and stock companies combined.

House bill 349 defines more specifically the requirements to qualify as a

Lloyds. They must meet the same requirements as are imposed on stock companies.

House bill 501 is intended solely to define a broker's solicitor so that there will be no question about brokers' solicitors being exempted from the operation of the social security law.

Senate bill 236 restores the state actuaries salary.

House bill 123 authorizes mortgage loans by insurance companies up to 66% percent of the appraised value.

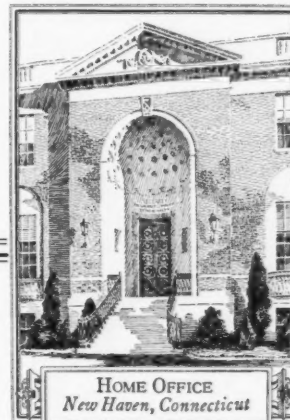
House bill 270 provides for the qualification by examination or otherwise of new applicants for agents, brokers and solicitors licenses. The applicant's fee is \$5.

**Oregon**—The bill that was passed by the Oregon legislature, enabling cities, towns and fire districts of the state to levy a tax up to 3 percent on fire and sprinkler leakage premiums, for firemen's pension systems, has been vetoed by Governor Sprague. In taking this action, the governor said that he perceives danger in the policy of earmarking specific sources for the payment of pensions of specific groups of public servants. "The firemen," he said, "feel that they can justly tax insurance companies for a pension fund. What class of well feathered geese may other groups pluck, groups such as the police, waterworks employees, city hall workers, etc?"

**Iowa**—Action completed on a bill removing the state securities department from the secretary of state to the insurance department.

### Rumors as to Connecticut

Reports from Connecticut are that Henry H. Hunt, an attorney of Glastonbury, has the inside track for appointment as Connecticut commissioner to succeed J. C. Blackall, when his term expires July 1. Mr. Hunt is a former state senator and judge of the town court of Glastonbury. He has been a leader in Republican party affairs in Connecticut for several years.



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# The NATIONAL UNDERWRITER

April 20, 1939

## CASUALTY AND SURETY SECTION

Page Fifteen

### Seek to Expand Sale of Private Contract Bonds

#### N. Y. Committee Is Named to Study Idea of Educational Campaign

NEW YORK—With the falling off in contract bond premiums, which some years ago constituted fully one-third of the total income of surety writing companies, production men have been casting about for means for stimulating a great demand for the coverage. Today contract bond business constitutes only about 20 percent of the surety volume.

#### Would Cover Medium Sized Contracts

Within the past 10 days local company managers of this city have given the matter careful study, and a special committee is probing the subject further. They believe that if a systematic campaign of education, such as was conducted in the interest of fidelity bonds 18 months ago, were inaugurated, the good will of contractors and of architects, both of which classes have been, if not openly hostile, at least lukewarm in their regard for surety bonds, could be secured.

The committee will seek to popularize contract bonds upon mercantile and residential buildings costing anywhere from \$25,000 to \$100,000 or more to complete.

#### Reasons for Contract Defaults

The first company to devise a "perform or pay" bond covering private contracts, was Fidelity & Casualty, which issued its form several years ago. National Surety, Aetna Casualty and others followed suit, each adopting its particular form of agreement.

Contract defaults are not infrequently due to action of the owner who insists that specifications have not been carried out as he interprets them, and as often as not his interpretation is wrong. To overcome this frequent source of contention underwriters would like to have a standard clause inserted in the construction bond, providing for arbitration within 15 days; decision of the arbitrators to be binding upon all parties at interest.

#### Nebraska '38 Casualty Experience

Total premiums in the casualty classification in Nebraska last year amounted to \$10,322,710 and losses \$4,776,627, according to the Nebraska department. This was divided: Nebraska stock premiums \$178,896, losses \$61,408; foreign stock \$5,653,241 and \$2,426,417; Nebraska mutual \$81,585 and \$37,848; foreign mutual \$1,592,995 and \$659,661; Nebraska assessment \$2,249,427 and \$1,330,507; foreign assessment \$184,585 and \$116,326; reciprocals \$381,585 and \$144,460.

### Expect N. Y. Fight on Anti-Lloyds Bill

#### Section 50-A of State Law Is Incorporated in Code Revision

NEW YORK — The banking interests are expected to enter strenuous objection at a hearing soon to be held before the state senate insurance committee to section 332 of the revised New York insurance code. Section 332 is substantially section 50-a that has been a law since 1932; the only change in the revision being elimination of the words "or bonds" and "or amounts," in referring to fidelity coverages.

"Security," the section reads, "may be required from banking officers and employees. The board of directors or trustees as the case may be, of each bank, trust company, savings bank, or savings and loan association of this state, shall have the power to require from each officer and employee thereof a bond in favor of such institution in such amount and in such form as shall be approved by such board of directors or trustees. Such bonds shall be accepted only from a corporation authorized to issue fidelity bonds and doing business in this state under the authority of the insurance department of this state, and the premium thereon may be paid as a necessary expense of any such banking institution."

Superintendent Pink some time ago advocated that the section be incorporated in the banking rather than the insurance law. This opinion was not shared by the banking commissioner. Though the section did not appear in the earlier revisions of the code, and the suggestion that it be made the subject of a special act failed of endorsement, Mr. Pink consented to its insertion in the final code revision, which has been passed by the assembly and is before the insurance committee of the senate.

Just recently the New York supreme court upheld the validity of section 50-a in an action brought by stockholders against about six New York City banks.

### State Fund Bill Is Advanced in Texas

AUSTIN, TEX.—The house committee of the Texas legislature has voted favorably for a measure to create a state workmen's compensation fund. The committee vote was unanimous. Under the bill the state treasurer would be custodian of the funds to be administered by the industrial accident board. Employers of two or more persons in the state would be required to give the board information as to number of employees, nature of work and wages paid. Employees injured while on duty would receive  $\frac{2}{3}$  of their average weekly wage, provided that the minimum payments would be at least \$7 and the maximum not more than \$20.

It is understood the house will take up the proposed bill immediately. Insurance men believe the bill was reported out of the committee too late to assure definite action at this session,

### Schofield Surveys Chicago Scene

#### Has Audience with Four Local Committees on Casualty-Surety

E. J. Schofield, manager of the casualty and surety acquisition cost conferences, is installed in a suite in the Hotel LaSalle, Chicago, this week and is giving audience to various local committees on the subject of casualty acquisition cost control in the city. He is accompanied by two company executives, who are merely listening to the proceedings.

On Tuesday Mr. Schofield met a committee of seven from the Chicago Insurance Agents Association. On Wednesday he conferred with a committee from the Surety Association of Chicago. On Thursday he will have before him a committee of the Casualty Managers Association of Chicago and on Friday a committee of the Insurance Brokers Association of Illinois.

#### Seeks Chicago Viewpoint

Mr. Schofield states that at these meetings various phases of the subject are discussed. The idea, according to Mr. Schofield, is to get as complete an impression as possible of the local viewpoint. The committee of eastern executives has not yet made any definite proposal and will not do so until it can take into consideration what Mr. Schofield finds the Chicago local attitude to be. He does not contemplate having a session with representatives of the insurance department.

Mr. Schofield was asked whether the committee had recommended that companies be allowed to have one branch office and two general agencies in Chicago. He said that this is merely one of the proposals that has been advanced. He said that there is no formal program.

Numerous attempts have been made in the past to put over an effective program for control of acquisition cost in Chicago but the efforts have been uniformly unsuccessful. The auspices are regarded as somewhat more favorable at this time, due to the fact that Insurance Director Palmer of Illinois has indicated rather strongly a desire to have commissions a subject of state control. He has taken several steps to effect that purpose and it may be that the casualty companies will make a serious effort to reduce the cost under pressure from Mr. Palmer.

The committee of the brokers association on casualty acquisition cost consists of T. F. Coleman, chairman; R. M. Redmond, H. H. Holcomb and Joseph Schwartz.

unless rules are suspended in both houses to push it through.

#### Gordon in Dayton, Columbus

Harold R. Gordon, executive secretary Health & Accident Underwriters Conference and chairman of the general committee in charge of Accident & Health Insurance Week, addressed the Dayton and Columbus, O., Accident & Health Associations this week on "Accident and Health Insurance Looks Ahead."

### Rate Latitude in Bureau Held Cure to Unhealthy Status

#### Minnesota Proposal Would Thus Limit Auto Deviation to 10 Percent

The fact that non-bureau stock companies last year took in substantially more in automobile liability and property damage premiums than did bureau carriers is regarded as unhealthy by even some of the leaders in the non-bureau category and there are indications of efforts to find some sort of compromise basis on which virtually all companies could unite.

Some close students of the automobile liability and P. D. situation believe that the eventual outcome may be an arrangement permitting rate level latitude within the bureau. Proponents of this plan point out that it would keep companies on a uniform basis as to policy contracts and limit rate cuts to an agreed deviation. Thus, cut-throat competition would be modified to the extent that slashing would be done only with safety razors.

#### Minnesota Proposal

Such a proposal was recently made by a group of local agents in Minnesota. The proposition was that companies would be permitted to cut the bureau rate as much as 10 percent. However, non-bureau companies saw the possibility of a situation arising in which the orthodox carriers would get the rates raised enough so that the cut rate would really be the standard rate for everybody.

To forestall this contingency one non-bureau company proposed that if more than half of the companies bound by the agreement were to cut the manual rate, the lowered rate would automatically become the standard rate and consequently the level from which the discounts would be allowed.

#### Will Come Up Again

The necessity for providing some means of assuring non-bureau companies that the manual rate would be an actual manual rate and not merely a level which everyone would discount by anywhere up to the 10 percent limit has somewhat slowed down the Minnesota negotiations. Yet the situation in which bureau companies, which are regarded as the standard-setters are substantially surpassed in volume by the non-bureau stock companies is certain to get more consideration, no matter what happens to the Minnesota proposal.

#### Okl. Deviation Hearing May 22

The Oklahoma insurance board will hold hearings May 22 on rate deviations proposed by the Equity Mutual of Kansas City and the American Automobile Fire and American Automobile of St. Louis.



## INTERESTING MARKEL FAMILY

RICHMOND, VA.—One of the most interesting insurance families in the country is the Markel clan here who operate a countrywide organization under the name of the Markel Service, managing American Fidelity & Casualty, writing only long haul trucks and buses. It has by far the most potent and far flung organization and plant for this special type of business.

The tree trunk is S. A. Markel, a methodical, earnest man who has been for years interested in traffic safety. He talked it in his home and fed his four sons and two brothers on this sort of provender. Max Markel, a brother, has charge of the New York City branch. Jack Markel, brother No. 2, has charge of the Pacific coast.

### Two Sets of Twins

Here is an interesting feature. S. A. Markel is the father of two sets of twins—Irrving S., and Lewis C. being one; Stanley B., and Milton L. the other. All are graduates of the University of Virginia. All are executives in the Markel Service and are giving a fine account of themselves. The father had all the boys start in the claim department. He wanted them to be versed in the loss end. From that they have been assigned to other work, two being in charge of underwriting. These boys were born in the business and they have been trained in this specialized indemnity.

The Markel Service has stations in key cities for underwriting, claim, inspection and engineering service. At Washington, D. C., it maintains an office for rate filings and revisions with the Interstate Commerce Commission. It

has cooperated actively in building rules and regulations for trucks and buses.

The Markel Service maintains an efficient engineering and inspection service. It takes likely men and puts them through a course of training for two years before it places entire responsibility on a man. At its head office here it has a director of safety whose organization is the backbone of the service.

The Markels have an experience rating plan of their own, making it of vital import to a trucker or bus organization to have a good record at the end of the policy year. Naturally this service is expensive but it is profitable. It keeps in close touch with its assured and the moment any untoward trend is noticed, immediate attention is given to it.

Its business comes entirely from brokers and agents. American F. & C. is entered in most states and where it is not, other facilities are used, chiefly Central Surety of Kansas City.

At the Hollywood, Fla., convention of the National Association of Insurance Agents, the Markel Service had headquarters with the father and Irving S. at hand.

The Markels quite rightly have stood for reasonable hours for drivers so that exhaustion would not impair their faculties. Strange as it may seem, the experience of the Markel truck and bus policyholders shows most unfavorably the first three hours and particularly the first hour and a half. This is due to the driver settling down, getting "the feel" of his machine and accustomed to its reactions. Often he does not drive the same machine on consecutive trips and must adjust himself to different cars.

## A. M. A. Insurance Program Announced

Following is the program for the American Management Association insurance division convention May 22-23 at Hotel Claridge, Atlantic City:

### Monday Morning

W. D. Winter, president Atlantic Mutual, presiding.

"Legal Aspects of Social Security," Thomas Watters, Jr., special counsel, Underwriters Social Security Service, Washington.

"The Broker's Message to the Insurance Buyer," Ralph Morrell, vice-president Davis, Dorland & Co., New York City.

### Monday Afternoon

Arnold Grasse, assistant secretary Home of New York, presiding.

"Boiler and Machinery Insurance," from the insured's point of view, Reginald Fleming, insurance manager Commonwealth & Southern, New York City; from the insurer's viewpoint, J. H. Coburn, vice-president Travelers Indemnity.

"Recent Developments in Use and Occupancy Insurance," J. Victor Herd, vice-president Fire Association.

### Monday Evening

Dinner meeting. Toastmaster, J. H. Nickell, insurance manager Philadelphia Electric Company and vice-president of the A. M. A. Insurance division. Speaker to be announced later.

### Tuesday Morning

Question and answer session conducted by R. H. Blanchard, professor of insurance Columbia University, assisted by the following on the subjects indicated: Bonds, G. W. Crist, Baltimore manager Fidelity & Deposit; liability and compensation, J. C. L. Bowman, assistant vice-president Liberty Mutual; U. & O. and consequential losses, C. W. Johnston, assistant secretary North America; fire, Prentiss B. Reed, adjuster, New York City; inland marine, D. C. Bowersock, secretary Providence Washington; group insurance, E. B. Whittaker, assistant actuary, Prudential.

Luncheon, A. E. Dodd, president A. M. A., presiding.

"Reciprocal Insurance," E. W. Brown,

manager Associated Reciprocal Exchanges.

### Tuesday Afternoon

J. G. Reese, supervisor of insurance and safety Consolidated Gas & Electric Company of Baltimore, presiding.

"Fire Prevention," G. W. Elliott, Philadelphia, former president National Fire Protection Association.

Motion pictures, "The March of Time," an N. F. P. A. release, and "Approved by the Underwriters," the Underwriters Laboratories picture.

### Claim Association to Elect Officers

Chicago Claim Association will elect officers at its May 10 meeting which will be held at 6 p. m. at Hotel La Salle. Following the election a party is planned to complete the evening's activities.

J. F. Kutak has appointed the following nominating committee: Ernest Freeman, Continental Casualty, chairman; L. O. Phelps, Great Northern, and C. C. Ireland, Benefit Association Railway Employes.

At the last meeting D. M. Ladd, special agent Federal Bureau of Investigation, spoke and showed the film, "You Can't Get Away with It."

### Aitchison to St. Louis

Lee R. Aitchison has resigned as manager of the health and accident depart-

## Brokers in Counter Attack in Fictitious Fleet Dispute

SAN FRANCISCO—Although Senate bill 790 designed to stop the writing of fictitious automobile fleets was tabled, the issue has again come to the fore in a companion bill which will be introduced in the assembly April 24. Both are sponsored by the Insurance Brokers Exchange of San Francisco. The National Board, the Association of Casualty & Surety Executives and other organizations presented a united front against the senate bill.

The assembly bill has been changed to make the writing of fictitious fleets a violation of the anti-rebate law. Brokers declare that the present method of writing fleets is a financial and valuable inducement and believe that the anti-rebate law should be invoked on such business.

### Standard Accident Campaign

An aggressive campaign for accident insurance, immediately following accident and health week, is being undertaken by Standard Accident. The drive will be carried on during May and will commemorate the 53th anniversary of the company, which will be celebrated May 29. The company is offering to all those agents who qualify, merchandise prizes. "Teaser" announcements are now being mailed.

This is the largest prize campaign ever conducted by the company. All the branches and general agents, as well as all sub-agents of both branches and general agents, are participating.

## Investigation into Failure of Mutuals Is Sought

BOSTON—Contending that there were appearances of something illegal in the granting of licenses to the now defunct Canton Mutual Liability and the Broad Street Mutual Casualty, Representative Woelke and others made strenuous demands upon the rules committee of the Massachusetts legislature to act favorably upon a bill for a legislative investigation of the recent crashes.

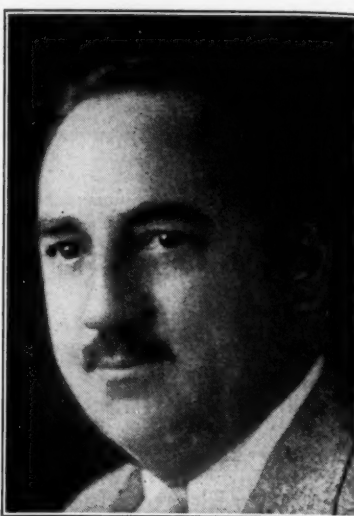
In the case of the Canton Mutual, which operated two years, the receiver found only \$8,000 in assets available, with state and federal taxes of \$17,000 and some 1,200 claims amounting to over \$1,000,000, to settle, and nothing to pay receivership expenses.

In the case of the Broad Street Mutual, which operated one year, there are 3,500 accident claims amounting to around \$1,000,000 and some \$200,000 to meet all claims.

Milton Richman, Harvard University, wanted the inquiry to include a study of the reasons for the refusal of companies to take the poor risks under the compulsory act. He declared the experience of the poor risks is included in the statistics on which the rates are based and this enables the companies to make a larger profit when they exclude poor risks.

ment of Cravens, Dargan & Co., Houston, Tex., to become branch manager for the new office the American Hospital & Life is opening in St. Louis.

## Former Commissioner Now Independent Adjuster



OWEN B. HUNT

Owen B. Hunt, former Pennsylvania commissioner, has opened a claims adjustment office in the Bullitt building, Philadelphia. He will operate as the Owen B. Hunt Adjustment Bureau. He will represent companies in casualty, automobile and inland marine claims and life insurance investigations. Mr. Hunt has established reciprocal arrangements with out of town offices and he will directly handle claims in eastern Pennsylvania and southern New Jersey.

For 16 years prior to becoming Pennsylvania commissioner, Mr. Hunt was in the adjusting business. He served Continental Casualty as regional claims manager for eastern Pennsylvania and southern New Jersey. Before that he was connected with Pennsylvania Mutual Life, Commercial Casualty and Pennsylvania Surety.

### Patent Firms Divide Territory

The Patent Protection Corporation of New York and the National Patent Corporation of Chicago have made a working agreement whereby the New York firm will handle business on the Atlantic seaboard and Canada and the Chicago firm business west of Pittsburgh. Contracts of both firms are now guaranteed by Seaboard Surety. Patent Protection Corporation formerly insured its contracts in United States Guarantee and National Patent in the defunct Chicago Loyds.

Both organizations write patent insurance on a basis similar to title insurance. The patent is examined and, if found valid, the patentee is insured against loss from infringement. Suit against the alleged infringer is started through the assured's attorney if necessary and the protection includes the cost of legal action. The organizations also issue defense contracts, protecting the assured against damages based upon claims that the guaranteed patent has infringed upon another patent. Defense and other court costs are also paid under this contract, as well as any judgment against the assured, up to the amount of insurance. A number of special contracts are also available. Trademarks are also insured. F. L. Andrews is now president of Patent Protection Corporation, succeeding Franklin Davies.

### Index Branch Is Functioning

The southern California branch of the Pacific Coast Index is functioning fully, all cards having been received and filed. Miss Grace Mooney, manager of the Index in San Francisco, who has supervisory jurisdiction over the Los Angeles branch, was in Los Angeles looking after the branch's affairs and was guest at meeting of the Casualty Adjusters Association.

## Record of Texas Casualty Leaders

	1938 Prems.	1937 Prems.	1936 Prems.	1935 Prems.
1. Texas Employers .....	\$4,068,107	\$4,467,714	\$3,291,994	\$2,628,099
2. Maryland Cas. ....	2,028,010	2,149,226	2,053,316	1,311,947
3. Hartford Acc. ....	1,621,131	1,573,996	1,298,121	1,154,350
4. Trinity Univ. ....	1,548,312	1,607,160	1,303,253	948,124
5. Travelers .....	1,497,984	1,831,439	1,349,779	871,128
Trav. Indem. ....	307,612	253,503	225,205	167,040
6. Traders & Genl. ....	1,310,801	1,554,167	1,316,936	1,264,816
7. Employers Cas. ....	1,201,751	999,697	763,374	564,791
8. Natl. Life & Acc. ....	1,177,348	1,109,186	1,015,946	932,991
9. Commercial Std. ....	1,168,409	1,070,120	1,050,127	749,610
10. Fidelity & Cas. ....	1,038,489	1,006,886	866,973	684,257
11. Amer. Genl. ....	952,640	762,240	629,765	426,573
12. Associated Ind. ....	908,686	793,535	607,718	478,685
13. Aetna Cas. ....	880,573	837,833	756,251	670,774
Aetna Life .....	314,621	266,432	226,322	201,004

## New Trial Is Asked in Adjuster Suit

### Petition Is Filed on Practicing Law Charges in Birmingham

BIRMINGHAM, ALA.—Attorneys for J. L. Wilkey, Birmingham independent adjuster, have petitioned the Alabama supreme court to strike out certain clauses in its recent ruling reversing and remanding for new trial a case against Mr. Wilkey in which he is accused of practicing law without license. The lower court had enjoined Mr. Wilkey from doing acts judged to be solely within the legal field.

While Mr. Wilkey gained his main objective, a reversal of the case on errors and a new trial in which the burden of proving he is transgressing over into the practice of law rests with the Birmingham Bar Association which brought the suit, the supreme court in one clause of its ruling interposed the opinion that some of the acts which Mr. Wilkey admitted doing did in fact constitute the practice of law.

#### Objects to Statement

The petition filed by James A. Simpson, attorney for Mr. Wilkey, objects particularly to the following paragraph among others in the supreme court ruling:

"The facts pleaded in said Plea 9, adopted by Plea 13, showing that the respondents (Wilkey and his company) settled such claims for physical injury or property damage sustained by such parties from such accidents or fire, contravenes the statute defining the practice of law."

Attorney Simpson called this opinion "wholly dictum," in that the point of what constitutes the practice of law was really not argued in the case, the defense simply setting up the defense that he was not engaged in the law practice. Mr. Simpson further stated that "no court in the United States has yet held that the adjusting of insurance claims by an insurance adjuster constitutes the practice of law."

#### Would Be First State

"If the dictum of this court means this," continues the defense petition, "and should be held to bind the supreme court of Alabama on this question, Alabama becomes the first and only jurisdiction in the United States where this rule prevails. Its holding would be rushed to the supreme court of Missouri in an attempt to sway that court where the matter has been thoroughly briefed and argued from all angles, and where it has been under submission longer than this case and is still undecided."

"If the court means to hold that an insurance adjuster who works only part of each day for a given company is practicing law when he settles an automobile liability claim, then the same act is practicing law, even though that company hires the same adjuster to work for it all day."

#### Case Already Pending

"A suit to establish that principle is already pending in the circuit court where this case came from. The fact that a given company's business doubles in Birmingham, and it is able to put on a full time adjuster instead of a part time adjuster, cannot change the fundamental nature of its adjusting work."

"If drawing a contract by an insurance adjuster is practicing law, then drawing contracts by automobile salesmen, whether part time or full time, drawing notes and mortgages by finance companies' agents, drawing real estate sales contracts and leases, etc., is bound to fall into the same category."

"This decision, therefore, affects the fundamental way of doing business of

## Plan Gettogethers in 16 Cities

A series of 16 get together meetings of Massachusetts Bonding head office officials and department heads with field men, agents and employees will be started at Albany, N. Y., May 1. The purpose will be to permit the producers to confer with the department heads, transacting business that ordinarily would require them to travel to the home office, and also to serve as an educational and sales stimulating medium.

Spencer Welton, vice-president, will preside, assisted by a number of home office men. These will include George W. Berry, vice-president in charge of the fidelity department, three assistant vice-presidents, H. J. Aldrich, head of the compensation and public liability department; P. N. Counsell, head of the automobile department, and Stephen McLaughlin, head of the accident and health, burglary and plate glass department, and F. J. Graf, superintendent of the engineering and inspection department.

The sessions will start at 9:30 a. m. with a question and answer forum and an open discussion in which the department heads will participate. At luncheons it is planned to present movies of the 31st anniversary celebration held last year at Swampscott, Mass. The afternoon sessions will be devoted to floor discussions.

Following the Albany meeting gatherings will be held: May 2, Syracuse; May 3, Cleveland; May 4, Detroit; May 5, Chicago; May 6, Milwaukee; May 8, Des Moines; May 9, Kansas City; May 10, Tulsa; May 11, Dallas; May 12, St. Louis; May 15, Indianapolis; May 16, Pittsburgh; May 17, Washington; May 18, Philadelphia, and May 19, in the metropolitan department at Boston.

#### Phipps Is Albany Speaker

Forgery was characterized as "America's fastest growing crime" by R. H. Phipps, head of the forgery department of Massachusetts Bonding, in an address before the Casualty & Surety Club, of Albany.

T. H. Leahy, state agent American Indemnity and American Fire of Galveston, with headquarters in Newark, has been installed as exalted ruler of the Orange, N. J., Elks.

The annual picnic of Champaign County, Ill., Association of Insurance Agents has been set for Thursday, Sept. 21 at Champaign County Country Club.

W. A. Miles of the Miles & Miles agency in Chicago is on a short vacation trip visiting his mother, Mrs. Effie G. Miles, at Columbus, O.

scores and hundreds of citizens of Alabama and business houses in Alabama. It should not be decided until it has been adequately argued and exhausted before this court. It should not be decided by way of dictum."

## Aetna Life A. & H. Head Dies at Age of 60



EDWIN C. BOWEN

HARTFORD—Edwin C. Bowen, secretary of Aetna Life in charge of the personal accident underwriting department, died at the Robert Brigham hospital in Boston Sunday after an illness of several months. He was 60 years of age.

Mr. Bowen was regarded as one of the most important influences in the accident and health business and he and B. A. Page, vice-president of Travelers, were the leading elder statesmen of the business. Mr. Bowen served as chairman of the Bureau of Personal Accident & Health Underwriters in 1934. He went with Aetna Life in the accident department in 1896. In 1906 he was elected assistant secretary and in 1923, secretary.

## N. Y. Health Bill Is Merely Point of Departure

The Insurance Federation of the State of New York, in a bulletin states that the Wagner bill which has been introduced in the legislature, providing for health insurance, is not intended for passage but rather as a point of departure upon which to hold hearings when the health insurance commission is extended. The bill establishes in the state social welfare department a health insurance division with a board of five and an advisory committee of 12 and a state medical advisory council of nine to administer health insurance from a state fund contributed by employers at a rate of 3 to 1 percent of wages and by the state of 1 percent of total of all wages except as reduced by payments from the federal government. The bill prescribes methods of payment of benefits, selection of physicians and appropriates \$150,000.

At the Maine Society of Public Accountants meeting in Portland, Me., Stanley P. Hanson, Portland, spoke on loss adjustments.

## Compulsory Health Insurance Attacked

### Medical Association Official Blames Social Workers for Medical Care Situation

NEW YORK—Socialized health insurance, which looms as a considerable menace in the minds of many insurance men, was hotly attacked and defended at the annual convention of the American Association for Social Security. Dr. Morris Fishbein, editor of the "Journal" of the American Medical Association, opposed socialized health insurance, saying that it is not the fault of the physicians but of the social workers if those on relief or in the lower income groups are not receiving adequate medical care. He declared that the social service profession had "failed miserably" in its role of bringing together the needy sick and the medical services that could care for them.

Dr. Fishbein also said that compulsory health insurance would result in a bureaucratic administration which would boost costs by from 10 to 20 percent, while the compulsory angle would constitute another step "toward the breakdown of American democracy." He criticized the lack of any provision for preventive medicine and contended that compulsory insurance would result in lowered medical standards.

#### Abraham Epstein Speaks

Abraham Epstein, executive secretary of the association holding the convention, and once a bitter critic of life companies, said that his organization, while not primarily concerned with medical care facilities for the poor, is backing health insurance to provide protection "in a self-respecting manner, without appeal to public or private charity, for the great mass of American wage-earners."

Miss Helen Hall, director Henry Street Settlement, New York City, and president National Federation of Settlements, said health insurance, partly aided by government financing, is essential for those earning less than \$3,000 a year, observing that many who are on home relief are getting better medical care than those in the low-wage group.

Hitting at the contention that health insurance would mar the doctor-patient relationship, Miss Hall said less than one-third of low income families have "anything remotely resembling a family doctor."

Dr. Hugh Cabot, formerly of the Mayo Clinic, vice-chairman of the "rebel" Committee of Physicians group of the American Medical Association, suggested that doctors and medical periodicals recognize the public's right to experiment in social and economic matters in efforts to attain a wider spread of medical services. Dr. Fishbein challenged this view, saying that the public ought to be protected against "many economic theories proposed by economic charlatans," which he said are sometimes more dangerous than the remedies confiscated by the food and drugs administration.

#### D. R. Anderson Advanced in Detroit

D. R. Anderson has been appointed assistant manager of the bonding department of the Detroit branch of Standard Accident. He has been a special agent of the Detroit bonding department since 1930. Prior to that he served as a bond underwriters since 1928.

Roger F. Quail, bonding special agent for the past several years for the Detroit office, will be joined in the field by William A. Hanna. George Dumville becomes underwriter succeeding Mr. Hanna.

The United Employers Casualty of Houston is moving to its own building, a six-story structure at Main and Franklin streets.

## Top Ten in Missouri Casualty Ranks

	1938 Prem.	1937 Prem.	1936 Prem.	1935 Prem.
1. Hartford A. & I.....	1,412,445	1,448,583	1,261,135	1,201,740
2. American Auto .....	1,202,414	1,383,725	1,311,403	1,149,847
3. Travelers .....	1,089,182	1,366,432	1,264,408	1,065,406
Travelers Indemnity .....	308,733	196,875	166,496	154,293
4. Consol. Und. ....	1,077,463	1,122,353	1,069,087	918,438
5. Maryland Cas. ....	993,817	1,048,012	965,856	926,503
6. Liberty Mut. ....	876,827	1,017,442	761,319	678,587
7. State Farm Mut. ....	828,762	732,875	637,188	561,934
8. Fidelity & Cas. ....	718,451	774,763	721,203	735,713
9. Amer. Mut. Liab. ....	692,985	874,619	572,309	322,477
10. Aetna Cas. ....	680,954	812,141	772,304	686,789
Aetna Life .....	221,411	230,581	179,452	195,431



## LEGISLATION

### Surplus Limitation Bill Is Opposed in Massachusetts

BOSTON—John W. Cronin, counsel for the Liberty Mutual, defended his company against the attack of the Service Men's Protective Association bill, aimed to limit the surplus of mutual casualty companies. Mr. Cronin stated the percentage of surplus to net premium writings in his company was 41.2 and in the American Mutual Liability, the only other company affected, 42.4 percent, and proceeded to quote the percentages of some 15 leading stock companies which had an average of 77.7 percent, some running as high as 137, 138, 141 and even 206.9 percent. He stated the surplus is kept as a security to protect the public and past depressions showed the necessity for such surpluses. The company has 78,000 policyholders but no one has appeared before the committee asking that the surplus be distributed.

The bill would reduce surpluses to a point below the safety margin, said Mr. Cronin. It would prevent any large company from having over one million surplus, since 25 percent of the net sur-

plus, less the dividend payments for five years, as provided in the bill, the alternative, would allow no surplus for the Liberty Mutual since it paid 20 percent dividends each year. If the Liberty Mutual surplus was reduced from its \$16,000,000 to \$1,000,000 it would mean that a 10 percent drop in security values might make the company insolvent.

#### ASKS PRIVATE TRUSTEES

Leslie P. Hemry, counsel for the American Mutual Liability, spoke for his bill before the Massachusetts legislative insurance committee which would allow Massachusetts companies to place their deposits in foreign states with individuals or fiduciaries, other than the local insurance commissioner or superintendent. He wished to have the privilege of placing such funds with private trustees in order that substitution of securities can be made with changing market prices with greater facility. He declared that when such securities are placed with commissioners there is no security for the company if such funds are embezzled, or destroyed by fire or otherwise, or stolen, since few if any states provided protection against such losses. In the case of private trustees greater protection can be arranged.

Commissioner Harrington opposed the bill on the grounds he does not want to impugn the integrity of any commis-

sioner. He stated steps are being taken for a uniform rehabilitation bill which when adopted by other states will take care of the situation.

**Pennsylvania**—Insurance exchanges having a surplus equal to the surplus and minimum capital requirements of stock companies writing the same type of insurance, would be authorized to issue policies without contingent liability under Senate Bill 422.

Senate Bill 408 permits companies writing group accident and health insurance to include benefits to cover medical and hospital expenses of dependents of insured employees.

Companies writing automobile liability would be prohibited from discrimination against physically handicapped persons by House Bill 1016.

**Ohio**—The house motor vehicles committee has indefinitely postponed action on a bill seeking to increase the license tax on motor vehicles in order to award compensation to indigents injured in accidents. A bill providing for an audit of the state compensation fund has been recommended to the house finance committee. The house education committee has recommended a bill by which boards of education may purchase liability and property damage insurance. The senate insurance committee indefinitely postponed a bill exempting companies issu-

ing hospitalization and medical insurance from provisions requiring \$50,000 in assets.

Bills awaiting governor's signature permit mergers of life, accident and health companies and place non-profit hospital service associations under the insurance laws.

**Vermont**—Governor Aiken has signed the bill providing for the organization of non-profit hospital service companies. A bill is pending which would allow state and county medical associations to set up such organizations to insure payments for medical services on a group plan.

**Minnesota**—Although a near record number of bills was presented, most of them were sidetracked. Compulsory automobile insurance was sidetracked. Most of the compensation measures were killed. A bill passed to permit health and accident companies to write group hospitalization coverage.

**Michigan**—State Senator Hittle has introduced a resolution in the Michigan legislature for an investigation of the compensation law by a special committee of three. Hittle indicated in the resolution that he feels employers should be permitted to insure their occupational disease and compensation risks under so-called stop loss cover if they desire. He indicated the belief that the regular compensation rates are excessive.

A compensation bill limits attorneys' and medical fees. A lawyer's fee would be held to 20 percent.

Unpaid hospital, doctors or dentists bills would constitute a lien against any health and accident insurance settlements in a measure by Representative Nichols.

## ROBBING PETER TO PAY PAUL

ROBBING PETER TO PAY PAUL. On the 17th of December, 1540, the abbey church of St. Peter, Westminster, was advanced to the dignity of a cathedral by letters patent; but ten years later it was joined to the diocese of London again, and many of its estates appropriated to the repair of St. Paul's Cathedral.

—Cathedrals, Winkle.

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## CHANGES

### L. A. Menegay Resigns as Vice-president of Excess

NEW YORK—L. A. Menegay has resigned as vice-president of Excess, the casualty reinsurer, with which he had been identified almost from the time of its formation. Entering the service of the company in 1928, he handled its casualty department, both as to underwriting and business production. He is a well known and well liked figure in insurance circles and while his future plans will not be announced for several weeks, the anticipation is he will continue in the casualty line.

### J. G. Harkins with U. S. Casualty

J. G. Harkins, who was formerly special agent for the Zurich, has joined United States Casualty in the Philadelphia branch in a field position. He was at one time with U. S. F. & G.

Thomas F. Dewey, lawyer, formerly of Trenton, N. J., has been transferred to the Toledo branch office of Travelers to assist the manager of the claim department with the title of investigator.

### Guest Law Repeal Not Retroactive

In Massa vs. Nastri, et al, the Connecticut supreme court of errors held that repeal of the "guest law" of the state was not retroactive. The plaintiff was riding as a guest in a car driven by her husband, with the owner of the car as another passenger. She was injured in July, 1936. The Connecticut "guest law," which permitted a guest to recover only in the event of intentional injuries on the part of the owner or operator or his heedlessness or reckless disregard of the rights of others, was repealed, effective July 1, 1937. Suit was not brought until July 9, 1937. The supreme court of errors upheld the verdict of the lower court that the law in force at the time of the accident controlled and sustained the lower court in dismissing the suit.

The Insurance Girls Service Club of Los Angeles will hold its spring dance May 19.

## ASSOCIATIONS

### C. E. Woodman Heads Accountants

C. E. Woodman, Ocean Accident, was elected president of the Association of Casualty & Surety Accountants at the annual meeting in New York. He succeeds George D. Moore, Standard Surety & Casualty, who had been president since the organization was formed in 1921 and who insisted upon being relieved of the responsibility. He was made honorary vice-president. The new active vice-president is T. F. Tarbell, Travelers, secretary C. G. van der Feen, National Bureau of Casualty & Surety Underwriters.

### Peoria Adjusters Organized

First business meeting of the newly formed Casualty Adjusters Association of Peoria, Ill., will be held there April 21. Present officers are: E. J. Fahey, president; A. B. Ferdinand, vice-president; W. G. Cleaver, secretary, and E. B. Forsythe, treasurer.

### Discuss Acquisition Cost

DENVER — Acquisition cost was discussed informally at the monthly meeting of the Mountain States Casualty & Surety Association. No definite decisions were reached.

### N. Y. Casualty Spring Dinner

The spring dinner of the Casualty & Surety Club of New York is being held at the Hotel Pennsylvania April 26.

Dr. C. O. Sappington, industrial hygienist, gave a talk "Occupational Disease Claim Experience," at the meeting of the Casualty Adjusters Association in Chicago Wednesday evening.

Members of the Casualty Insurance Adjusters Association of Southern California heard a talk on the Sino-Japanese situation by Capt. R. A. Goodcell, brother of Commissioner Goodcell. The bar-adjuster question was touched on.

Robert Armstrong of Swett & Crawford, an original member, spoke to the Insurance Accountants Association of Los Angeles, outlining the objectives of the association. Credit problems were discussed.

## COMPANIES

### Maryland Company Elects

BALTIMORE — Stockholders of American Indemnity Company of Maryland at the annual meeting elected the following directors: John L. Alcock, Alexander Armstrong, J. S. Bache, E. H. Brooks, G. L. Burgess, G. W. Denmead, O. M. Dennis, E. F. Dobson, A. T. Edel, W. H. Ellis, W. H. Fehsenfeld, T. H. Fitchett, A. W. Gieske, L. L. Hecht, F. W. Hoffrogge, W. C. Hunter, G. E. Kiefner, G. M. Kimberly, E. J. MacLeod, J. D. Mahon, J. Arthur Nelson, Boyd Nelson, J. E. Richardson, W. F. Smith, F. H. Strickland, C. S. Weech and W. B. Wood. All of the directors are also directors and members of the advisory board of New Amsterdam Casualty.

American Indemnity was organized some years ago by J. Arthur Nelson, who intended to launch it as an active institution. However he changed his plans and bought into New Amsterdam Casualty, a going company. The charter of American Indemnity has been retained although it is not an operating insurance company.

### Indiana Liberty Mutual's Status

An inquiry has been received about Indiana Liberty Mutual. It seems that the law under which that company was organized that was passed in 1915, did not provide for winding up of such

concerns by the insurance department. Suit, therefore, for a receiver can be brought only by a judgment creditor in Indiana. Some claimants, it is stated, have brought action but compromises have been effected.

A suit is now pending which was brought by the Indiana department and which has had one hearing in court. This action was brought on the theory that the 1915 act has been superseded by the 1937 act, which does give the department jurisdiction in liquidation. There are many claims pending against Indiana Liberty Mutual in Indiana, Illinois, Wisconsin, Iowa and other states. No business has been written by Indiana Liberty Mutual since 1932 and the assets are scanty. The only hope of recovery, it is stated, is to secure a receiver in Indiana and then get an order for an assessment that will stick.

### Hobbs Wins on National Mutual

TOPEKA, KAN.—The Kansas supreme court holds that the insurance commissioner can require a company to satisfy all requirements of the department before doing business in this state. Commissioner Hobbs had refused to renew the license of the National Mutual Casualty of Oklahoma. The company obtained an injunction in

district court enjoining the commissioner from withholding the certificate. The supreme court reversed the district court.

### Shelby Mutual in Two States

The Shelby Mutual Plate Glass & Casualty has entered West Virginia and Texas. L. W. Gaskill of Dallas has been placed in charge in Texas.

### Object to Adjuster Licensing

NEWARK—The establishment of "some limit to the licensing of persons who are engaged in lawful enterprises" is being urged by the New Jersey State Bar Association in a communication to the New Jersey legislature. The association announced opposition to the bill to permit the insurance commissioner to license claim adjusters.


"There exists no practical or other reason for the licensing of persons who are not in fact practicing law, but who are properly engaged in the business of acting as claim adjusters for insurance companies and others," the communication declares. "There should be some limit to the licensing of people who are engaged in lawful enterprises and to the creation of special boards and commissions to supervise the activities of persons engaged in accepted and lawful enterprises," the communication concludes.

### Denies Meeting Was Held on Illinois Auto "Suggestions"

George H. Schirmer, vice-president of Midwest Automobile Underwriters of Freeport, Ill., denies that he attended any meeting in Chicago of independent automobile specialty companies to discuss the situation created by the 18 "suggestions" for changing the automobile rates and rules setup in Illinois that have been made by the Illinois insurance department. It was stated last week in THE NATIONAL UNDERWRITER that such a meeting was held in Chicago and Mr. Schirmer was mentioned as being the president of the group. Mr. Schirmer states that he is not an officer or member of any organized group of insurance underwriters "local or otherwise."

"I knew of no meeting to be held in Chicago or elsewhere," Mr. Schirmer states, "by any group. I did not attend any such meeting and do not know that any such meeting was held. Furthermore I know of no contemplated action of any group or company to enjoin the department as referred to in your article."

H. J. Burczyk, Milwaukee attorney, has been appointed on the Wisconsin industrial commission.



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## LATE FIRE NEWS

### Missouri-Kansas Storm Loss Estimate Is \$500,000

Loss in the hail storm that struck portions of Missouri and Kansas the other day is estimated to be at least \$500,000. The hail stones were particularly large and the average claim is running high. It is estimated that there will be at least 6,000 individual losses. About 85 percent of the damage was in the Missouri district embracing the cities of Joplin, Webb City and Carthage. The Kansas cities that were hit included Baxter Springs, Galena and Coffeyville.

### Lift Ban in Nebraska Probe

LINCOLN, NEB. — The legislative investigating committee has removed the prohibition against the insurance department passing upon any applications before it and Governor Cochran has instructed Director Smrha to consider several applications which are pending.

The legislature turned down a proposal to consolidate the insurance and the banking departments, with the superintendent of banking as head of both

bureaus. Instead it voted to remove only the securities department from the insurance bureau and place it under the banking department head.

A bill introduced by the investigating committee provides that no domestic mutual company hereafter organized shall begin business until it has 200 or more risks and \$30,000 in assets, or a sum equal to 10 times the maximum single risk to be assumed whichever is greater for each class of insurance it is entitled to write. It requires that this sum be held for payment of losses only until each policy outstanding has had one annual premium paid in cash.

### John A. Heinze Now a Partner

John A. Heinze, who has been New York manager for Fester, Fothergill & Hartung, and has been with the organization 28 years, has now been admitted to partnership. He continues as manager in New York, a position he has held for 10 years. At the same time Harry B. Farmer, who has been connected with the firm in London, is admitted to partnership in both the London and New York business.

### Weston Bailey Critically Ill

C. Weston Bailey, veteran chairman of American of Newark, is reported to

be critically ill. He has been connected with the company since 1876 and has been an officer since 1906.

### Prato Marine Special Agent

Peter Prato has been appointed special agent in the Cook county, Ill., branch office of the Aetna Fire, succeeding J. H. Roberts, who resigned to go with the Home group.

### Start Paying MLU Claims

KANSAS CITY—Circuit Court Judge Southern has ordered the Missouri insurance department to start paying loss claims against the Manufacturing Lumbermen's Underwriters. The court approved the commissioner's report on allowances of such claims two weeks ago, aside from claims to which exceptions were filed. The court also has approved a suggestion of the department that it deduct from loss claim payments unpaid premium and return commissions due MLU.

The payments are being made in the order of their appearance in the commissioners' report.

### Receiver Asks Removal of Stay

W. G. Simpson, receiver for Lapeer Mutual Fire, some of whose members have been conducting a contest of assessment efforts, has asked Federal Judge Moinet in Detroit to set aside a stay of proceedings which is interfering with conduct of the receivership.

The stay was imposed after the court had denied on Feb. 20 a petition for removal of Simpson under direction of the Ingham county circuit court, and for designation of a federal court receiver. Judge Moinet found no federal question involved but allowed the stay to permit a possible appeal to the circuit court of appeals.

### Pink Names Advisory Committee

NEW YORK—Superintendent L. H. Pink has appointed as members of an advisory committee to study the examination of applicants for agents, brokers and public adjusters licenses E. R. Hardy, Insurance Institute of America; H. J. Mang of Rose & Kiernan, Albany agency; Herman Grebert, Fire Companies Adjustment Bureau; Deputy Superintendents Edward McLoughlin, Raymond Harris and G. H. Jamison, and counsel L. M. Gardner. The revised insurance law contains a number of new provisions governing applicant examinations, and these will be considered in preparing the next set of questions.

### Cuba Bans Unauthorized Offices

NEW YORK—In the absence of the official order, executives of a number of American companies operating in Cuba were exercised over the reported intent of the republic to bar them from the island. With the receipt of the act, it develops that it refers to unauthorized concerns; that is, all organizations that by April 6 had not made a deposit with the Cuban government and otherwise complied with its requirements would be prohibited from transacting business there. Persons accepting policies of such concerns would be denied the protection of Cuban courts and be subject to penalties.

### May Extend N. Y. Fair Cover

NEW YORK—The executive committee of the suburban division of the New York Fire Insurance Exchange referred to a special committee, with authority to act, the question of extending coverage to the New York World's Fair until October, 1940, should the fair authorities decide to continue the exposition through another year.

### Get Commerce in Alabama

Brame, Ward & Hancock, Shepherd building, Montgomery, have been appointed Alabama general agents of the Commerce, affiliate of the Glens Falls. Mr. Ward of that agency was at one time in the field for the former company.

## To Make Fire, Health Contest Awards in Washington May 3

Awards to winning cities and counties in the 1938 inter-chamber fire waste and health conservation contests will be made May 3 at the annual meeting of the U. S. Chamber of Commerce in Washington, D. C. J. S. Kemper, president Lumbermen's Mutual Casualty and vice-president of the chamber, will preside.

Among subjects to be discussed at the meeting which are of interest to insurance executives are: "What the Government Can Do," "Tax Deterrents to Business Progress," "Releasing Enterprise Capital," "The Future of the National Labor Relations Act" and "America, Its Assets and Liabilities."

At a round table on insurance subjects May 3, L. E. Falls, vice-president American of Newark, will discuss "Insurance in the Development of Enterprise."

### New York Brokers Elect April 25

The Insurance Brokers Association of New York will hold its annual meeting at the Hotel Astor April 25.

## NEWS BRIEFS

Karl W. Fischer, local agent of Vinton, Ia., has been appointed commissioner of public safety, a new position created by the Iowa legislature. He is not related to C. R. Fischer, new Iowa insurance commissioner.

B. M. McCue of the Richmond, Va., local agency of McCue & Alsop is back on the job after being laid up with injuries sustained when knocked down by an automobile while crossing a street near his office.

Theodore H. Wilkinson of Wilkinson-Ream Insurance Service is addressing the Board of Independent Fire Underwriters of Cuyahoga county, Thursday evening in Cleveland on "Aviation Insurance—What It Means to You."

Mrs. J. P. Wolfe has been appointed to the new Moorhead, Minn., charter commission by the judges of the seventh judicial district. Her husband is state agent for Security of New Haven.

The St. Louis Blue Goose at its meeting on Monday presented a floor reading lamp to Chief O'Donnell of the Underwriters Salvage Corps who recently retired from active duty.

J. K. Hunter of New York, executive special agent of Great American, died at a hospital after having undergone an appendectomy. He was 58 years of age and his home was in Great Neck, L. I. He went with Great American in 1906, served for several years as manager of its uptown New York branch and when that office was discontinued he operated as a special agent. He was made executive special agent several years ago.

A bill amending the charter of the North Atlantic Casualty & Surety to permit it to write insurance for payment of hospital and doctors' bills, with paid in capital of \$25,000, has passed the Rhode Island house.

The St. Paul Fire & Marine has declared the regular quarterly dividend of \$2 a share.

The Farmers Mutual Hall of Iowa has been admitted to Ohio. F. E. Fisher of Columbus is state agent.

## Capital Available

New York Capital available in sizable amounts only for a casualty or life stock company anywhere. Refinancing effected, mergers or new capital secured. Confidential. Bank references exchanged. C. M. Hollinger, 170 Broadway (Cortland 7-0140) New York City.

## Don't Forget Accident and Health Week

April 24-29

Income Protection Exclusively Since 1903

**Inter-Ocean Casualty Company**

Executive Offices, Cincinnati, Ohio

## Councillors of Far West Confer at Salt Lake City

(CONTINUED FROM PAGE 9)

accident the day he was to leave for the conference and was unable to be present. Special guests included W. H. Menn, Los Angeles, national president, and L. S. Bush, engineer Pacific Board, San Francisco.

### Goldsmith Chairman, England Secretary

At the opening of the session Mr. Goldsmith was named chairman, succeeding Mr. Appleton, and Mr. England, secretary, succeeding Mr. Moreton. Subjects discussed included automobile finance accounts, credit unions, inland marine insurance and commissions, accident prevention programs, uniform countersigning law, model agents qualification bill of National association, servicing non-board companies by Pacific Board, farm insurance, furriers customers policies, financial responsibility laws, underwriters annexes and insurance legislation clearing house. Action was taken on practically all the topics, but decisions will not be made known until reports have been filed with the proper committees of the National association. An interesting feature of the first day's session was the consideration of rural agents' problems as to rates and forms covering farm dwellings. Utah and Montana were most concerned with this question, and Messrs. Moreton and McMahon told of the difficulties encountered in handling this class of business. Mr. Bush said he appreciated the problems of the rural agents, and presented a complete picture of the methods used by his department of the Pacific Board.

### Menn Raps Paramount Fire

President Menn reviewed the mid-year convention of the National association and expressed disapproval of the Paramount Fire, both as regards its formation and the methods by which it proposes to operate. Mr. Goldsmith, who spoke briefly, had just rounded out a 10,000-mile trip, beginning at San Diego, which included a flight to Miami and return, conferences with New York and New England insurance executives, and attendance at the Hollywood convention.

A committee on resolutions, headed by Mr. Appleton, was appointed by Chairman Goldsmith, with special reference to automobile finance accounts, group writings and commission on inland marine risks. The resolutions will be drafted by Mr. Appleton and Mr. Moreton, and submitted to the chairman and secretary before transmission to national headquarters.

A banquet was given by the Fire Underwriters Association of Salt Lake City in honor of the visitors and officers and members of the Utah Fire & Casualty Insurers Association. President R. H. Sanders presided, with Mr. Moreton as toastmaster. Speakers were Commissioner Neslen of Utah, N. L. Herrick, president state association; Mr. Menn and all of the visiting councillors. San Francisco was chosen for the next meeting, in February, 1940.

### Contest Great Lakes Sale

LANSING, MICH.—The Michigan supreme court heard arguments on an appeal of a group of creditors of the defunct Central West Casualty from the Wayne county circuit court's order approving sale of Great Lakes Casualty to D. F. Broderick, Detroit, on his bid of \$440,000. T. L. Conlan, Detroit, attorney for the group, contended that an appraisal of the assets indicated \$559,000 might have been realized from them on a liquidation basis. Questioning of Conlan by several of the justices took a skeptical tone.

Walter McKenzie, Detroit, appeared for the receiver and John Higgins, Detroit, for the successful bidder. John Panchuk, assistant attorney general, represented the state treasurer.

A. W. Shell & Co., a former agent of Central West Casualty at Cincinnati,

is understood to be the chief creditor interest contesting the sale order.

### U. S. F. & G. Meet in Kansas City

KANSAS CITY—A two-day educational conference will be held here by the United States Fidelity & Guaranty and the Fidelity & Guaranty Fire May 9-10. W. F. Moffatt, branch manager, will preside. Talks on the first day will be made by Philip F. Lee, vice-president and agency director; O. R. Leeds and J. D. Hall, assistant agency directors; C. J. Fitzpatrick, secretary; Harry F. Ogden, vice-president fire company; Inghram D. Hook, president

Missouri Bar Association; R. Howard Bland, chairman of the board. On May 10, men from the branch will talk including L. L. Bebout, resident vice-president.

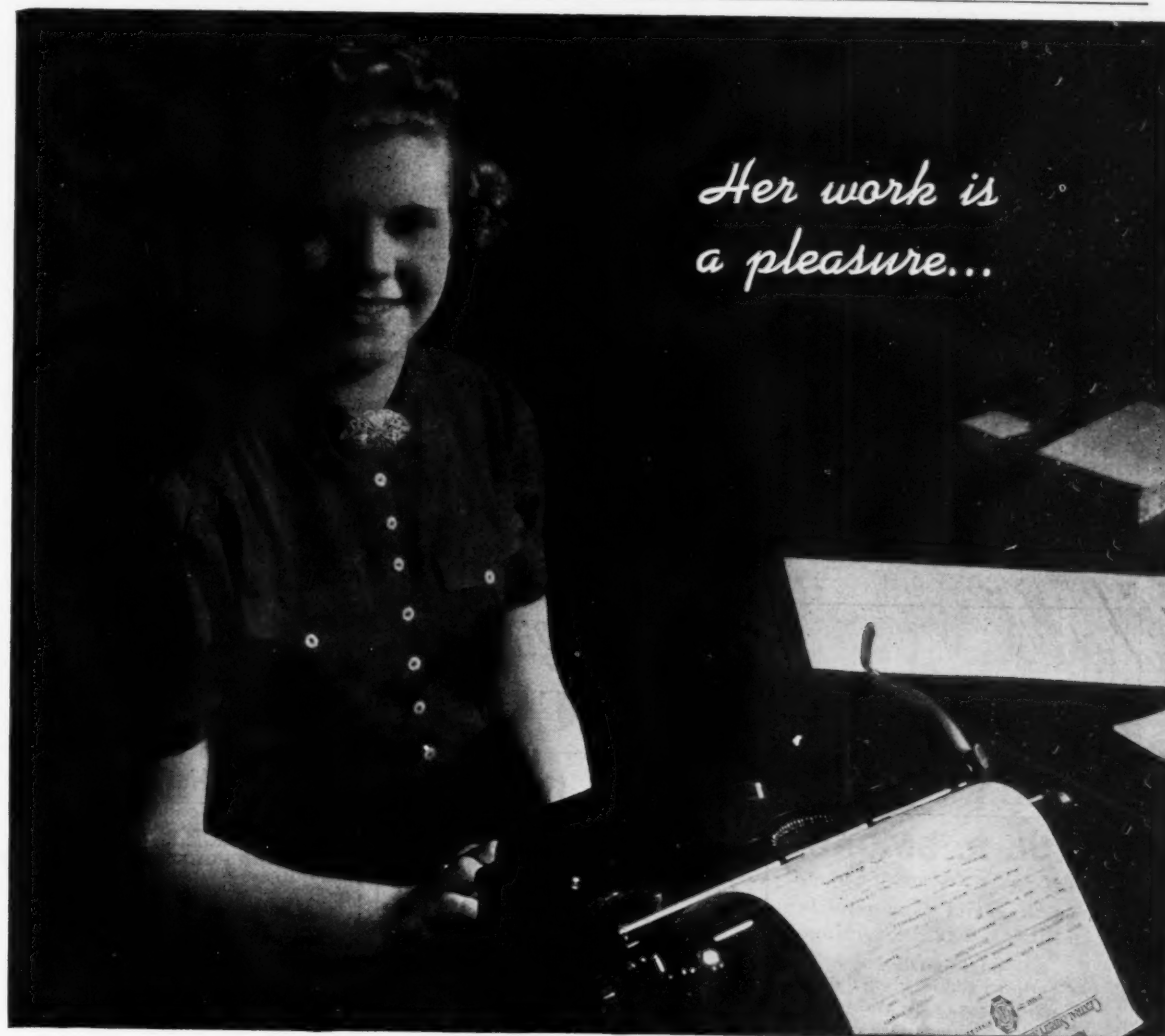
### FDIC Acts Against Surety

A suit seeking to recover \$144,500 from Columbia Casualty which was surety on the bonds of George E. Wuller, former cashier of the defunct Belleville Bank & Trust Company, Belleville, Ill., has been filed in the St. Clair county circuit court on behalf of the Federal Deposit Insurance Corporation, liquidating agent of the bank. Wuller

is serving a 15-year term for embezzlement. Wuller was under a \$100,000 bond. Recovery is being sought on the basis that the bonding company is liable for the defalcations occurring in each year up to the total amount of the bond.

### Signs Travelers Life Bill

Governor Baldwin of Connecticut has signed a bill creating Travelers Life Insurance Company and another bill permitting Travelers Insurance Company to purchase, hold and sell stock of the new company, which is capitalized at not less than \$250,000 and not more than \$10,000,000.



*Her work is  
a pleasure...*

*because...*

Central Surety Policies are thoroughly modern and designed to be convenient for the policy writer.

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**\$1,000,000.00**

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CORPORATION**

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**\$1,592,153.05**

Home Office  
Kansas City, Mo.

R. E. McGinnis  
President



## Contend Rate Laws Need Uniformity

(CONTINUED FROM PAGE 4)

plicable to all risks of the same character and the same community.

While the original rate legislation was directed only at fire insurance, Messrs. Matthias and Robison continue, state authority has been gradually spreading. Automobile insurance rates are now specifically included in the rating laws of 10 states. Louisiana has taken jurisdiction over accident and health rates. Texas includes marine and transit insurance and every other type in which the fire hazard is included. The recent Northwestern National case in Wisconsin, in which the state fire insurance rating law was held to include inland marine lines where the primary hazard is that of fire at a fixed location, is discussed at some length in this paper. Most states control workmen's compensation rates and some take jurisdiction over surety rates.

In a few states, every fire insurance company comes under the rating laws, but most jurisdictions exempt either farm mutuals or all domestic mutuals. Deviations may usually be filed, but ordinarily, if a company is a member of a bureau, it may not deviate from the rules and regulations of that bureau. It has been held that a group of companies may not ask jointly for a flat increase in rates based upon their aggregate experience, but that any justification for an increase must be based upon the experience of the individual company. The commissioner, however, may usually order a general rate reduction after consideration of the experience of all companies writing a certain line. Compa-

nies are entitled to judicial review of administrative orders and a citizen insured in a company affected may also ask for a review. Ordinarily, the courts will not disturb a rating order unless it appears that the commissioner has exceeded his constitutional or statutory powers, has exercised his authority unreasonably, has made a mistake of law or a decision contrary to the evidence, or has fixed a rate so low that it amounts to confiscation and deprivation of property without due process of law.

The Illinois insurance code and several recently introduced rating bills are analyzed in the paper. The Illinois code requires every fire company to belong to a rating bureau, which must file its schedule and any changes for approval. Companies may deviate if their experience warrants it, on a uniform percentage basis. Bureaus are subject to state supervision. A similar bill was introduced in Congress which, if enacted, would have been the first rating statute for the District of Columbia. The proposed New York insurance code permits a company to make its own rate filings or to act through a rating organization. The superintendent is given authority to remove discriminations and to change rates when he finds them excessive, inadequate or unreasonable. Recent legislation introduced in California and Massachusetts would also require all companies to belong to some rating bureau. A proposed bill in Utah includes authority over life insurance rates.

In recommending only a minimum of control necessary for public safety, Messrs. Matthias and Robison maintain that a company which is able to offer insurance at a lower rate than that set by a rating bureau should be permitted to do so. In addition to maintaining that bureau membership should not be mandatory, the article proposes that membership requirements of rat-

ing bureaus should be non-discriminatory and member companies should be permitted to provide for assessments and dividends. The insurance commissioner, the paper proposes, should not be required to approve schedule filings, but should have authority to order corrections if he finds anything unjust, unreasonable, unfairly discriminatory or preferential. Deviations should be permitted freely, provided the company can justify them.

The paper recommends that no state control should be assumed over life, accident and health, ocean marine and inland transportation insurance, because the mortality tables in the one case are sufficient and in the other case the rate is based upon factors too uncertain for stereotyped rating.

Messrs. Matthias and Robison strongly recommend uniform rating laws, maintaining that this is the only way in which federal regulation can be avoided. As an example of how dangerous federal regulation could be, they cite the bill proposed in Congress in May, 1938, which would have provided for the organization of a government insurance company for long distance haul trucking for assured who could not procure this coverage from private companies at reasonable rates. The proposed bill defined "reasonable rates" as rates equal to or less than those established by the government. It further provided that the rates charged by the government should be standard rates of rating bureaus, subject to such discounts as the board of directors and the government insurance corporation should determine. "Such a law," the paper recites, "would permit the government to establish any rate it pleased, even to the point of driving out of business all private companies writing motor truck operators insurance. Once the principle became established, it

could be extended to other lines of insurance, ad infinitum, until in the end we would have nothing but government insurance."

## Drastic Wisconsin Ruling on Marine

(CONTINUED FROM PAGE 4)

vessels and cargoes to any peril incidental to transportation by water including inland transportation and navigation insurance from the time the goods leave factory, store or warehouse at initial point of shipment, even though the initial point of shipment be inland, and thereafter continuously in due course of transportation until same are delivered at store or warehouse at destination."

In his ruling, Mr. Mortensen refrains from identifying the contracts of insurance that are under discussion as "inland marine." He refers to them as "omnibus coverage contracts of insurance."

Mr. Mortensen's term as commissioner runs out in June.

The Mortensen ruling will be taken up by the executive committee of the Inland Marine Underwriters Association here Thursday.

Dr. A. D. Lazenby, vice-president and medical director of the Maryland Casualty, died in Union Memorial hospital, Baltimore, after an illness of three weeks. He started with the company in 1921, serving as its chief surgeon from 1924 until his appointment as vice-president last January. A recognized authority on industrial health and occupational diseases, he had been active in measures looking toward protecting the health of industrial workers.

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## STOCKS

By H. W. Cornelius, Bacon, Whipple &  
Co., 135 So. La Salle St., Chicago, at  
close of business April 17, 1939

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	4.00*	100	105
Aetna Fire ....	10	1.60	43	45
Aetna Life ....	10	1.35*	27	28 1/2
Agricultural ....	25	3.25*	72	75
Amer. Alliance ..	10	1.20*	20	22
Amer. Equitable ..	5	1.00	21	23
Amer. Home ....	10	...	6 1/2	8
Amer. (N. J.) ....	2.50	...	12 1/4	13 1/4
Amer. Surety ....	25	2.50	49	51
Automobile ....	10	1.30*	30	32
Balt. Amer. ....	2.50	30*	5 1/4	6 1/4
Bankers & Ship..	25	5.00	87	90
Boston ....	100	21.00	590	610
Camden Fire ....	5	1.00	19	20
Carolina ....	10	1.30	24	26
Contl. Cas. ....	5	1.20	30	32
Contl. N. Y. ....	2.50	1.50*	30	32
Crum & Forster				
Com. ....	10	1.00	23	25
Employers Rein..	10	1.60	49	51
Fidelity-Phen. ..	2.50	1.80*	31	33
Fire Assn. ....	10	2.50	60	62
Firemens (N.J.) ..	5	30	9 1/4	10 1/4
Franklin ....	5	1.40*	27	28
Gen. Reinsur. ....	5	2.00	37	39
Glens Falls ....	5	1.60	37	39
Globe & Repub. ..	5	50	10	11 1/2
Gt. Am. Fire ....	5	1.20*	23	25 1/2
Gt. Amer. Ind. ....	1	20	9 1/2	11
Halifax Fire ....	10	1.00**	21	22
Hanover Fire ....	10	1.60	25	27
Hartford Fire ....	10	2.00	71	73
Hartford St. Bld..	10	1.60	53	55
Home Fire Sec. ....	10	...	1	1 1/4
Home Ins. (N. Y.) ..	5	1.60*	29	31
Home Indem. ....	3	...	9	12
Ins. Co. of N. A. ..	10	2.50*	62	64
Lincoln Fire ....	5	...	2 1/2	3
Maryland Cas. ....	1	...	54	56
Mass. Bonding ..	12.50	3.50	40	44
Merch. com. (N.Y.) ..	5	1.70*	40	44
Natl. Cas. ....	10	1.20*	23 1/2	25 1/2
Natl. Fire ....	10	2.00	56	58
Natl. Liberty ....	2	40*	7 1/4	8
Natl. Union ....	20	5.00*	118	123
New Am. Cas. ....	2	.65	11 1/2	12 1/2
New Hampshire ..	10	1.80	42	44
Northeastern of				
Hartford ....	5	...	4 1/4	4 3/4
Northern (N. Y.) ..	12.50	5.00*	88	92
North River ....	2.50	1.20*	24	25
N. W. Natl. ....	25	5.75*	125	129
Phoenix, Conn. ....	10	2.50*	71	73
Preferred Acci. ....	5	1.00*	17	18 1/2
Prov. Wash. ....	10	1.40*	31	33
Republic, Tex. ....	10	1.20	24	26
St. Paul F. & M. ..	25	8.00	218	225
Security, Conn. ....	10	1.40	28 1/2	30
Sprgfd. F. & M. ..	25	4.75*	110	115
Travelers ....	100	16.00	430	440
U. S. Fire ....	4	2.00	48	52
U. S. F. & G. ....	2	.25	19	20
Westchester Fire ..	2.50	1.60*	29	31

\*Includes extra. \*\*Canadian funds.

## ACCIDENT AND HEALTH

### Seattle Is Holding A. & H. Congress

The Accident & Health Managers Club of Seattle is holding an all-state accident and health sales congress April 21, as a preliminary to Accident & Health Insurance Week. The club is also promoting many other activities to stimulate interest in the week, including "spot" advertisements in the three Seattle daily papers, a proclamation by the governor of Washington, window displays and three prizes to be awarded at the sales congress for the best ideas for individual self-promotion for Accident & Health Week.

The sales congress Friday will open with a joint luncheon with the Seattle chamber of commerce at which Lloyd A. Perkins, Pacific Mutual Life, sales congress chairman, will speak on "The Hazards of Accident and Sickness." H. O. Fishback, Jr., Northern Life, president of the Seattle club, will preside at the afternoon session. The program includes:

The Public Acceptance of Accident & Health Insurance, W. A. Sullivan, Washington commissioner.

Money Making Opportunities in the Accident and Health Business, Al Stenberg, Massachusetts Bonding.

Five minutes for discussion.  
How to Use Hospitalization Associations and Social Security Publicity to Sell Monthly Income Protection, Paul Green, Aetna Life.

Five minutes for discussion.  
The Technique of the Accident and Health Sale, actual presentations, C. W. Rogers, Business Men's Assurance.

Five Good Accident and Health Approaches, Glen Polson, West Coast Life.

Five Good Reasons for Buying Accident and Health, Bob Matthews, Northern Life.

Five Good Accident and Health "Closers," H. R. Henderson, Massachusetts Protective.

How to Capitalize on National Accident and Health Week in a Big Way, W. L. Miller, Northern Life.

Thirty Years of Profit in the Accident & Health Insurance Business, Dwight Mead, Pacific Mutual.

In addition to other local observances already announced, the Dayton, O., association will start the ball rolling with a dinner meeting Friday.

Gov. Bricker of Ohio has formally proclaimed the week of April 24-29 as Accident & Health Insurance Week.

### Los Angeles Club Sees Movie

The Accident & Health Managers Club of Los Angeles at its meeting

### BROKERS & AGENTS

Attend!

### ANNUAL ACCIDENT & HEALTH SALES BREAKFAST

during

### NATIONAL ACCIDENT & HEALTH INSURANCE WEEK

To be held at

**ROGER SMITH RESTAURANT**  
40 E. 41st Street New York  
**TUESDAY, APRIL 25, 8:45 A. M.**

Prominent Speakers

**Qualify for Producer's Banquet**  
Thursday, June 22, Hotel Pennsylvania

and  
**ACCIDENT & HEALTH INSURANCE DAY**  
at WORLD'S FAIR, June 23, 1939

**NEW YORK ACCIDENT AND HEALTH WEEK COMMITTEE**

Consult your Underwriter!

April 18 devoted all the time, except a short period given over to business, to viewing a moving picture, "Two Salesmen in Search of an Order." It portrayed both good and bad salesmanship.

### Live Topics for Agency Session of H. & A. Conference

Lester L. Burdick, accident and health manager, Commercial Casualty in Boston, will headline the agency management session at the annual meeting of the Health & Accident Underwriters Conference in Boston, May 22-23. Mr. Burdick's address will precede a series of five clinics where live agency topics will be analyzed. The subjects and speakers are:

"It May Happen to You," A. M. Holtzman, Rochester, N. Y., manager Mutual Benefit Health & Accident.

"Why Agents Fail," W. A. Barr, agency supervisor Massachusetts Bonding.

"The Prospective Agent Has a Past ... So What?" E. J. Faulkner, president Woodmen Accident.

"Agents and Claims," G. A. L'Es-trange, manager accident and health department Wisconsin National Life.

"Competitive Practices," E. H. O'Connor, assistant secretary Bankers Indemnity.

The purpose of these clinics is to put various agency problems under the microscope and examine them minutely for solutions. O. F. Davis, Illinois Bankers Life, will preside.

### Illinois Agricultural Mutual Opens Accident Department

Illinois Agricultural Mutual has organized an accident department and is issuing an accident expense reimbursement and income policy to be written on members of the Illinois Farm Bureau, their relatives and employees of the bureau. Under the reimbursement provision it will pay 80 percent of actual expense of treatment of injuries requiring medical or surgical attention, hospital or nurse, not to exceed \$500. It excludes hernia.

Maximum indemnity of \$500 will be paid for accidental death or dismemberment. Loss of time indemnity may be purchased in units of \$7 for 52 weeks total disability for his occupation and 104 weeks thereafter for any occupation, with one-half partial for 26 weeks.

The annual premium for expense reimbursement, death and dismemberment benefits, limits \$500, class AAA (Conference manual) is \$9.85; loss of time indemnity, each \$7 per week unit, class AAA, \$3.60.

Illinois Agricultural Mutual is one of three insurers operated by the Illinois Agricultural Association. It has heretofore written auto insurance and livestock insurance for members of 4-H Clubs. C. M. Seagraves will supervise the A. & H. department. He also has charge of safety work.

### Monthly Indemnity Accident Policy Issued by U. S. F. & G.

The United States Fidelity & Guaranty has come out with a monthly income accident policy which is said to eliminate the "frills" and provide a fixed income from disability caused by any kind of accident. Monthly indemnity is paid for total disability, his occupation, for 12 months, and thereafter for any occupation.

Medical reimbursement indemnity may be added by a rider at the usual additional premium rate including surgeon, nurse, hospital and other incidentals. No limit is fixed for each item, but all are paid up to the limit of reimbursement for any one accident. Indemnity not exceeding 80 percent of

average monthly earnings may be written up to \$300.

It may be issued to employed men, ages 18-64, or women, 18-59, in classes A, B, C, D\* and D. The reimbursement cannot be issued for less than \$500 but additional units of \$100 for each \$20 unit of monthly indemnity after the first \$100 may be purchased. In class A the annual premium for \$100 monthly, \$10 for men and \$16 for women; for each \$10 additional \$1 and \$1.60; for \$100 monthly and \$500 reimbursement \$21 and \$29.05 for each \$20 monthly and \$100 reimbursement, \$2.90 and \$3.90.

### Headliners for Chicago Breakfast Announced

Headliners at the third annual Accident & Health Week breakfast, which will be held by the Chicago Accident & Health Association at Hotel La Salle on April 24, have been announced by A. D. Anderson, Continental Casualty, president.

A main feature will be an interview of Dr. C. K. Jones of St. Luke's Hospital by R. B. Kegley, Moore, Case, Lyman and Hubbard, and by members of the audience. Dr. Jones will answer questions concerning hospital cases and methods.

E. H. Ferguson, Great Northern Life, will speak on "The Meaning of the 68 Button," Clay F. Lundquist, Fred F. James & Co., on "Mental Attitude," and George Robeson, Connecticut General, on "Where Does A. & H. Fit?"

C. Truman Redfield, Redfield Associates, will be "The Roving Reporter," going among the audience and quizzing the various members.

The choral club of the Illinois Insurance Brokers Association will sing.

More than 500 are expected to attend. President Anderson will give an address of welcome and will preside.

### North American's Conventions

The North American Accident will hold four regional conventions this year. The Mid-Western Conference, a new unit in the company's group organization, will hold its organization meeting in Des Moines June 16-17. C. W. Cameron of Oklahoma City has a big lead in production in that territory and probably will be the first president of the new conference.

The Eastern Conference will meet in September, probably at some resort hotel in central Pennsylvania. Neither the date nor place has been definitely selected as yet. The leading producers in that section are closely bunched, so it is hard to say who will come out on top. The Western Conference will have two meetings, for the northern and southern divisions, which are scheduled for late summer or early fall. A number of home office officials will attend each of the meetings.

### Johnson to Albuquerque

O. K. Johnson of Columbus, O., formerly Ohio state manager of the Business Men's Assurance and secretary of the Columbus Accident & Health Association, has been transferred to Albuquerque, N. M., as supervisor for that district. He has been with the company 13 years. Brice Haliburton, formerly with the B. M. A. in Albuquerque, goes to Phoenix, Ariz.

### San Antonio Company Expands

The American Hospital & Life of San Antonio, Tex., is expanding its business and has recently opened branch offices in Dallas, with Ted T. Teel, manager; Fort Worth, Tex., Reginald Snyder, manager; Oklahoma City, Harry Ernstrum, manager, and is about to open a branch office in St. Louis, with Lee R. Aitchison, manager.

Louis L. Roth, general agent for London Guarantee, has been elected a vice-president of the Rotary Club of St. Louis.

YOUR OPPORTUNITY

ACCIDENT AND HEALTH INSURANCE

APRIL 24-29

Week



## CASUALTY NET PREMIUMS AND PAID LOSSES IN MARYLAND IN 1938

	Totals		Prem.	Losses	Prem.	Losses	Prem.	Losses	Work. Comp.	Fidelity-Surety	Plate Glass	Burglary-Theft	Prop. D. & Coll.	
	Prem.	Losses	Auto. Liab.	Other Liab.	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses
Ac. & Cas., Win'thur	2,876	1,163	1,847	940	84	40								
Aetna Cas. & Surety	391,930	138,558	102,886	39,797	46,258	721	129,560	40,245	46,608	34,274	4,536	1,317	20,250	6,136
Aetna Life	155,313	79,878	239	—	201	1,522	268	1,579	1,473					
Allied Mut.	9,477	1,939	2,792	155										
Allstate Ins.	17,975	4,322	13,296	2,348										
Amer. Auto.	196,379	65,230	145,900	45,591										
Amer. Cas.	130,700	40,592	61,755	15,987	11,821	1,778	18,935	6,849						
Amer. Employers	20,791	7,982	6,589	350	2,278	270	6,359	5,094	1,524	160	443	130	690	521
Amer. Fld. & Cas.	80,177	63,317	63,459	51,260										
Amer. Indem.	13,203	2,972	8,262	1,365										
Amer. Motorists	210,432	68,044	97,811	32,204	3,555		66,732	22,438	10		28	43	32	
Amer. Mut. Liab.	455,417	192,795	131,300	24,938	17,308	1,631	256,803	150,942	187		44		1,530	461
Amer. Policyholders	16,657	9,246	10,177	6,982	55	100	660	240						
Amer. Re-Insur.	37,200	5,316	5,165		1,651	5,365	11,824		16,783	—74			903	23
Amer. States	—209	443	—135	280										—68
Amer. Surety	69,159	17,243	17,755	1,813	4,357	258	7,664	4,127	28,866	8,275	1,331	497	1,708	37
Arex Indem.	63		63											
Asso. Indem.	69,838	31,442	30,068	12,387	11,418	3,460	14,603	10,477	77		419	160	64	
Bankers Indem.	32,943	16,738	6,606	4,723	1,955	239	18,367	7,862	4		368	154	1,309	2,492
Car & General	194,246	96,241	75,994	42,762	16,127	5,851	60,228	30,714			4,662	2,240	4,368	2,255
Celina Mut. Cas.	163	600	123	600										36
Central Sur. & Ins.	52,797	20,983	49,165	17,765	9	1,286			399		521	64	16	
Century Indem.	157,870	76,859	55,403	40,953	13,812	2,145	49,858	16,660	6,341	44	4,503	1,381	7,105	402
Columbia Cas.	20,030	3,866	4,957	485	3,029	238	4,020	1,359	1,874	5	761	182	1,252	53
Commercial Cas.	117,618	47,974	21,956	893	1,461	200	196	598	2,171	—1,239	1,020	467	942	186
Continental Cas.	136,767	52,641	36,923	5,742	12,735	5,583	21,071	10,413	4,778	528	1,674	341	4,288	1,810
Eagle Indem.	19,209	19,399	49,401	4,918	8,214	1,066	24,337	7,277	2,763	2	207	15	2,958	595
Eastern Mut. Cas.	276,725	162,922	144,964	134,351			28,823							107,519
Empire Mut.	5,690	5,931	3,668	2,910										1,992
Empl. Liab.	157,360	70,454	36,196	18,214	23,840	2,680	90,672	47,421	3,471	—5,539	6,328	756	3,425	1,051
Employer's Re-Ins.	42,250	17,515	23,336	12,008	1,708		2,880		6,012	356	4		2,357	409
Eureka Cas.	33,048	10,719	23,264	10			228				26			3,819
Excess Ins. of Amer.	9,321	179	2,492	7,695			3,821		137	79		100	14	154
Factory Mut. Liab.	16,211	2,110	11,120	853	73								372	4,646
Farm. Bu. Mut. Auto.	441,639	190,668	212,002	95,058									12,341	2,454
Fid. & Cas., N. Y.	415,155	185,458	118,733	75,160	40,405	11,368	113,090	60,666	44,198	1,356	7,390	2,447	16,042	4,528
Fid. & Deposit, Md.	341,470	63,612							300,257	48,418	9,880	4,625	31,333	10,569
Fireman's Fund Ind.	51,357	16,458	17,646	3,306	6,664	6,146	11,281	4,801	949		1,168	326	2,710	721
Gen'l Acc. Fire & L.	186,363	64,717	79,216	16,225	15,832	4,327	30,955	23,335			8,321	974	6,080	654
Gen'l Cas., Seattle	26,261	4,469	18,547	1,952	184	45			147		83	1	868	86
Gen'l Reinsur.	66,968	7,970	22,950	2,500	2,847		6,598		22,798	1,609			4,360	6
Glens Falls Indem.	162,423	65,996	62,189	33,522	14,299	2,066	24,546	13,435	13,363	2,610	7,023	2,165	11,891	2,682
Globe Indem.	220,185	71,251	59,718	21,241	27,081	4,272	74,961	31,683	15,458	4,626	4,393	1,477	10,420	3,454
Great Amer. Indem.	240,703	53,168	105,174	14,743	21,058	4,496	47,874	13,184	13,413	4,630	4,429	1,205	9,882	4,965
Hardware Mut. Cas.	44,337	14,160	18,240	6,331	2,343	679	13,866	3,875			1,818	474	510	
Harleysville Mu. Cas.	88,660	52,900	59,646	36,944										28,615
Hartford Cas. & Ind.	358,722	116,901	87,758	36,020	37,197	6,454	110,571	51,261	48,235	286	5,378	2,437	15,865	3,209
Home Indem.	54,636	15,482	31,143	6,170	5,349	465			924	—600	2,211	1,427	4,048	2,076
Hutchins Mut., D. C.	21,628	1,968	12,977	779										8,651
Indem. Ins., N. A.	288,150	116,869	111,163	28,164	36,873	3,312	25,398	10,190	31,388	50,044	12,642	4,770	17,468	2,902
Inland Mut.	17,419	124	10,126											6,129
Internat'l Fidelity	336								336					56
Jamestown Mut.	31,352	14,432	13,062	6,629	764	50	12,222	5,432						
Keynote Au. Club Cas.	60,350	23,566	40,444	13,043										19,906
Keystone Mut. Cas.	35,653	12,216	22,819	6,950	1,292	219					150	53	767	284
Liberty Mut.	935,048	368,562	159,370	48,824	59,274	11,632	635,658	275,286	8,874	2,202	936	477	7,277	4,934
London Guar. & Acc.	56,186	18,085	14,377	4,520	4,291	886	13,392	7,855	—43		535	196	1,697	146
Lon. & Lan. Ind., A.	15,238	5,894	4,204	2	3,899	275	1,439	2,582	886	—49	493	113	2,510	1,697
Lumber Mut. Cas.	3,978	3,270	3,270	173			2,942							276
Lieberman's Mut. Cas.	441,835	195,070	170,629	76,344	18,539	2,478	160,128	83,307	275		1,673	1,036	5,884	673
Manhattan Mut. Au.	16,906	6,605	11,114	3,403										5,792
Mfrs. Cas.	84,973	32,615	49,047	13,879	744		14,360	11,540			518	145	1,247	94
Maryland Cas.	849,264	292,845	146,683	59,531	70,876	29,259	319,489	163,900	164,202	—8,043	5,555	1,724	26,695	4,760
Mass. Bonding	58,662	26,792	16,181	10,416	3,650	175	5,796	2,122	3,660	—1,921	456	393	1,477	2,173
Mellbank Surety	8,248								8,248					
Mercer Cas.	13,656	4,320	9,593	1,950	96	2								3,786
Merchants Indem.	3,400	8	3,064	8	1				335					2,300
Merchants Mut. Cas.	49,959	22,384	16,254	7,272	14,747	6,154	12,033	6,614		—7				6,931
Metropol. Cas.	20,550	3,670	8,404	236	1,232	25	167		475	120	820	298	193	2,966
New Amsterdam Cas.	520,061	198,160	99,671	43,166	78,944	14,612	122,027	65,492	122,571	48,467	12,291	4,709	31,066	3,701
National Cas.	30,266	9,246	3,920	1,528	1,193	221	2,295	545	194		166	58	580	5
Nat'l Grange M. Liab.	1,251	281	726	200										525
Nat'l Mut., D. C.	162,295	82,174	114,021	69,384										48,226
Nat'l Mut. Cas.	7,789	1,130	4,955	1,337										2,719
National Surety	36,057	9,388							11,025	8,519	749	504	4,953	365
New Century Cas.	3,694	2,213							3,694	2,213				
New York Cas.	13,657	6,883	3,968	3,860	1,282	45	1,923	1,754	3,551	—102	632	30	432	6
Norwich Union Ind.	174	750	11				5							44
Ocean Ac. & Gu., Ltd.	55,091	17,074	14,103	3,828	4,312	1,204	11,389	5,093	829	7	1,055	146	2,843	500
Ohio Cas.	14,735	823	9,060	135									30	3,878
Penna. Indem.	140,550	38,819	100,364	21,712	1,175	35					159	20	543	9
Penna. Mut. P. G.	8,757	3,675									8,757	3,575		
Pa. Mfrs. Assur. Cas.	9,571	1,289	8,167	141										3,404
Pa. Thr. & F. M. Ca.	118,775	64,258	46,938	22,435	1,418	68	48,674	29,478						21,815
Phoenix Indem.	69,089	22,357	24,729	9,407	7,384	490	20,105	8,259			1,109	182	4,705	450
Preferred Acc.	26,684	14,280	12,109	13,414	206	50			4,064	—2,875	281	17	1,947	1,338
Protective Indem.	59	65	—19										—3	
Royal Indem.	256,840	50,854	105,462	17,636	22,004	1,452	56,775	22,775	10,398	—2,322	3,481	971	11,129	1,119
St. Paul-Mercury Ind.	55,792	18,801	13,745	9,574	10,573	2,480	2,775	2,578	14,868	692	711	499	3,614	318
Seaboard Mut. Cas.	19,448	8,651	12,347	7,287	—363						2	6	85	2
Seaboard Surety	33,506	2,753							33,506	2,753				
Security Mut. Cas.	29,034	7,741	3,347	286	1,144	263	24,045	7,154						
Selected Risks Indem.	797	8	561											523
Shelby Mu. P.G. & Cas.	33,582	18,158	8,078	6,351	544	175					20,897	9,404		236
Standard Acc.	68,985	44,869	12,456	10,151	6,435	10,888	18,660	1						

## (CONT'D FROM PRECEDING PAGE)

	Premiums	Paid
Equitable Life Assur....	69,082	14,741
Excess Ins. of A.....	10	10
Farm Bureau Mut. Auto..	4,152	1,437
Federal Life & Cas.....	7,677	3,562
Fid. & Cas. of N. Y.....	23,954	9,943
Fireman's Fund Indem....	1,993	210
Genl. Acc. & Fire & Life..	22,884	9,625
Genl. Re-Insur.....	5,715	3,855
Glens Falls Indem.....	6,574	2,556
Globe Indem.....	1,884	221
Great Amer. Indem.....	1,566	16
Hartford Acc. & Indem....	13,560	2,229
Home Indem.....	4	.....
Indem. Ins. of N. A.....	8,277	3,001
Illinois Bankers Life....	216	13
Inter-Ocean Cas.....	14,647	6,644
Inter-St. Bus. Men's Acc.	13,173	4,558
John Hancock Mut. Life..	2,967	1,102
Liberty Mut.....	694	.....
London Guar. & Accel....	10,714	2,190
Lond. & Lond. Ind. of A..	3,306	912
Loyal Protective Life....	11,248	7,618
Lumbermen's Mut. Cas....	11,137	4,427
Maryland Cas.....	34,966	10,837
Mass. Accident.....	30,323	23,055
Mass. Bonding.....	20,056	10,053
Mass. Cas.....	11,605	5,377
Mass. Indem.....	81,835	4,399
Mass. Protective.....	93,347	33,832
Metropolitan Cas.....	5,548	1,873
Metropol. Life.....	255,652	130,380
Monarch Life.....	65,955	29,645
Mut. Benefit H. & A.....	129,998	62,150
Natl. Accel. & H.....	59,966	21,216
New Amsterdam Cas....	11,363	3,155
Natl. Cas.....	20,447	6,262
Natl. Life & Accel.....	80,188	33,640
N. American Accel.....	56,709	18,500
Norwich Union Indem....	32	.....
Ocean Ac. & Guar.....	3,797	2,380
Pacific Mut. Life.....	35,982	18,501
Paul Revere Life.....	8,885	4,197
Peerless Cas.....	5,980	2,153
Penna. Cas.....	1,009	792
Penna. Indem.....	2,821	5,348
Penn. Thr. & Far. M. Cas.	10	.....
Phoenix Indem.....	1,386	176
Preferred Accel.....	3,953	753
Protective Indem.....	86	30
Provident Life & Accel..	15,932	6,455
Prudential of A.....	20,586	10,570
Relliance Life.....	30,705	16,129
Royal Indem.....	2,210	97
St. Paul-Mercury Indem..	62	167
Security Mut. Cas.....	129	3
Standard Accel.....	8,272	8,486
Standard Sur. & Cas.....	20	.....
State Farm Life.....	93	.....
State Auto. Mut.....	69	.....
Sun Indem.....	614	285
Travelers Ins.....	157,656	55,491
United Benefit Life.....	1,133	470
United Cas.....	11,243	5,519
U. S. Casualty.....	15,465	5,780
U. S. Fid. & Guar.....	14,903	5,986
Wash. National.....	202,468	65,800
Zurich Genl. Ac. & Liab.	10,999	5,700

Total for 1938.....\$2,247,197 \$ 962,627

## STEAM BOILER, ENGINE &amp; MACHINERY

Aetna Cas. & Surety....\$	—713	.....
Amer. Employers.....	136	.....
Amer. Re-Insur.....	—2	.....
Columbia Cas.....	1,550	\$ 49
Continental Cas.....	798	.....
Eagle Indem.....	1,528	246
Employ. Liab.....	16,586	.....
Excess Ins. of A.....	1	.....
Fidelity & Cas.....	3,897	15
Genl. Accel. & Fire & Life.	643	.....
General Re-Ins.....	593	.....
Globe Indem.....	2,863	492
Hartford S. B.....	64,844	6,833
Inland Mut.....	240	.....
London Guar. & Accel....	124	.....
Lumbermen's Mut. Cas....	6,829	179
Maryland Cas.....	17,148	360
Mutual Boiler.....	3,517	1,192
Ocean Ac. & Guar., Ltd.	11,312	602
Phoenix Indem.....	212	170
Royal Indem.....	11,484	804
Security Mut. Cas.....	—153	.....
Travelers Indem.....	4,569	1,522

Total for 1938.....\$ 147,997 \$ 12,464

## CREDIT

	Premis.	Losses
Am. Cred. Ind. of N. Y..\$	107,168	\$ 137,691
London Guar. & Accel....	5,488	192

Total for 1938.....\$ 112,656 \$ 137,883

## SPRINKLER AND WATER DAMAGE

Aetna Cas. & Surety....\$	4,325	\$ 836
Indem. Ins. of N. A.....	203	131
Maryland Cas.....	2,891	146
U. S. Fid. & Guar.....	269	28

Total for 1938.....\$ 7,688 \$ 1,141

## LIVE STOCK

Hartford Accel. & Indem..\$	145	.....
Hartford Live Stock....	13,027	\$ 14,548

Total for 1938.....\$ 13,172 \$ 14,548

## Compulsory Ordinance Withdrawn

Through the efforts of Secretary Irwin Wootton of the Atlanta Association of Insurance Agents, a proposed Atlanta city ordinance that would have required automobile liability and property damage on all public or private commercially operated buses, trucks and other classes of cars, has been withdrawn.

## WORKMEN'S COMPENSATION

## Proposes Changes in Louisiana Law

LAKE CHARLES, LA.—In stating that apparently a great difference exists between the wording of the Louisiana workmen's compensation act and the decisions of the court interpreting the same, Judge C. A. Holcombe of the 19th judicial circuit told the Louisiana Insurance Society that the time has come when the legislature either should adopt the principles announced in the decisions or rewrite the act in such plain language that its real intentions could be no longer the subject of debate by the members of the bar of the state.

"If there is any law on our statute books which should be free of ambiguity," Judge Holcombe said, "it is the workmen's compensation law; and if there are any of its provisions which should be plain and clear they are those referring to specific and general disability, prematurity, applicability of the general disability clause to hernia and right of the employer to suspend payment until the employee has submitted to an

operation; the maximum rate of compensation, amount allowed for hospitals and medical expenses, and definition of what constitutes an accident."

He said that the courts should not administer the compensation law. It is his belief that better results would be obtained through the commission system, particularly in uncontested cases.

"Many times the judges are called upon by attorneys for both plaintiffs and defendants to pass hastily upon and sign lump sum settlements which should not be signed," he said, "but which for the lack of time or due to other circumstances are signed. A commission whose sole duty it would be to administer the provisions of the law would have more time and a better opportunity to investigate and to dispose of such cases. With right of appeal to the courts reserved, I can conceive of no valid objections."

## Submits Plans for Arkansas

H. F. Richardson, secretary National Council on Compensation Insurance, is en route to Little Rock, planning to submit to Commissioner Harrison the arrangements tentatively drafted by the

council for administering the compensation business in the state under the recently enacted law. The intent is to establish a supervisory office in Little Rock, from which rules and rates for writing compensation risks would be disseminated.

## Council Would Cut Florida Rates 6%

TALLAHASSEE, FLA.—A proposal to reduce compensation rates in Florida an average of 6 percent was laid before Commissioner Knott by the National Council on Compensation Insurance at a hearing here. For the National Council, A. Z. Skelding told the commissioner Florida experience during the revision period was responsible for the slight reduction, but stressed that compensation rate structure is built up on a long-time program. It is better to make gradual changes in the rates than sharp revisions either way, he emphasized.

The council asked that the 41 percent expense loading be restored. Mr. Knott reduced the figure to 40 percent in the 1938 revision. Mr. Skelding said the council was requesting that the new rates, effective July 1, be applicable to outstanding policies as well as all new

## BITUMINOUS CASUALTY CORPORATION

ROCK ISLAND ILLINOIS

## FINANCIAL STATEMENT

DECEMBER 31, 1938

ASSETS		LIABILITIES	
BONDS: (Amortized Values)		Reserve for Claims.....	
United States Gov't \$2,772,957.56*		\$2,841,039.05	
Political Subdivisions		Reserve for Unearned Premiums:	
of States.....		100% Advance De-	
Railroad.....		posits (Guarantee	
Public Utility.....		for Payment of	
Industrial.....		Monthly and Quar-	
		terly Earned Pre-	
		miums).....	
TOTAL BONDS.....		\$1,043,126.28	
\$3,190,965.30		Unearned Portion of	
STOCKS: (Market		Annual Payment	
Values)		Basis Premiums ...	
Preferred—Railroad &		457,389.82	
Public Utility.....\$		1,500,516.10	
Common—Public Util-		Reserve for Unpaid Dividends.....	
ity.....		7,500.00	
58,200.00		Reserve for Taxes and Reinsurance...	
TOTAL STOCKS.....		107,522.75	
190,900.00		Reserve for Commissions and Other	
TOTAL SECURITIES.....		Expenses.....	
\$3,381,865.30		388,048.90	
Cash (Including cashier's checks for		Voluntary Reserve—For Fluctuation in	
\$30,000.00 deposited as collateral		Market Value of Securities (Excess	
for appeal bonds).....		of Amortized over Market Value of	
1,777,560.76		Bonds Owned).....	
Premiums in Course of Collection less		54,845.30	
than 90 days due.....		TOTAL LIABILITIES.....	
934,080.95		\$4,899,472.10	
Accrued Interest on Bonds.....		Capital.....	
16,812.16		\$300,000.00	
TOTAL ADMITTED ASSETS.....		Surplus.....	
\$6,110,319.17		910,847.07	
		SURPLUS AS REGARDS POLICY-	
		HOLDERS.....	
		1,210,847.07	
		TOTAL LIABILITIES, CAPITAL	
		AND SURPLUS.....	
		\$6,110,319.17	

\*United States Government Bonds carried at \$279,831.65 in the above statement are deposited as required by law. United States Government Bonds and Cash represent 74% of the Total Admitted Assets. No Bonds in Default as to Principal or Interest.

## WORKMEN'S COMPENSATION — PUBLIC LIABILITY — PROPERTY DAMAGE

For the fourth consecutive year the Bituminous leads all companies writing Workmen's Compensation insurance in Illinois. Our Illinois compensation premiums totalled \$1,906,339 in 1938, or one-

tenth of the \$19,906,339 state volume amassed by more than 70 "comp" writing companies. Such leadership is a compliment to our producers.



## Illinois Financial Responsibility

The law is tremendously increasing the number of insured automobiles. If you are not getting your share of this business it may be you need better rates or better service facilities.

For Open Territory write Paul W. Pickering, Secy.

## ILLINOIS CASUALTY COMPANY SPRINGFIELD

Exclusively Automobile Insurance Since 1916.

The manufacturer  
will hear about this

# IN COURT

**Products Liability Contract**  
offers an excellent opportunity to increase your premium income.

Many manufacturers and their distributors fail to realize that misapplication or misuse of their products does not relieve them of liability for personal injuries.

## R. N. CRAWFORD & CO., Inc.

Insurance Exchange, Chicago Telephone Wabash 2637

Headquarters for "OUT-OF-THE-ORDINARY" Contracts



Many claims of this type prove to be not only costly, but injurious to the prestige of the manufacturer as well.

A Products Liability Contract underwritten by prominent underwriters and offered through this organization, provides adequate and comprehensive protection against claims of this type. Full information will be sent on request.

and renewal business. He said it is not standard rate making procedure to include outstanding policies and it is proposed in Florida because the insurance department felt that the compensation law required it.

Raising of the expense loading was vigorously opposed by State Senator Spessard Holland, representing citrus and phosphate industries, and R. E. Spaulding, president Associated Industries of Florida. Mr. Holland contended insurance carriers have made nearly \$600,000 on compensation in Florida since the law became effective in 1935. Mr. Spaulding feels the basis rates filed by the council probably are in line, but urged Commissioner Knott to keep the expense loading at 40 percent. E. T. Lay, secretary Associated Industries, praised the compensation experience in Florida but joined his associates in asking for the lower expense item. Hunter Brown, Pensacola, vice-president Florida Insurance Agents Association and chairman of its compensation committee, said he would like to see no increase in the amount for expenses.

Commissioner Knott took the revision proposal under advisement, but expects to make early announcement as to the new rates.

### Assigned Risks Again Show Decline in Minnesota

MINNEAPOLIS—In spite of increased activities, the Minnesota compensation rating bureau was able to show a reduction in operating costs and another decline in the number of assigned risks for the year ending March 31, 1939, J. F. Reynolds, general manager, reports.

Premiums declined \$1,000,000 in 1938 compared with 1937. For the year ending March 31, assigned risks were 414 against 508 the previous year and 560 two years ago. The insolvent fund account, which began operation in 1938, showed total receipts of \$21,135 and expenditures \$10,827, including the return of \$5,000 to the general bureau fund, leaving a balance March 31 of \$10,308.

Premiums of the 58 companies totalled \$6,459,435, ranging from \$337 to \$1,661,850.

### Signs N. Y. Compensation Bills

Governor Lehman has signed several bills relating to compensation insurance. One provides that in order for executive officers of corporations to continue to be excluded from the compensation law, written notice must be given within 60 days preceding renewal date of the insurance contract. Another law requires the industrial commissioner to collect from insurers a total of \$150,000 in addition to assessments made for the fiscal year ended June 30, 1938, to be used for payment of awards in reopened cases.

### New Oklahoma Commissioner

T. H. Ottesen, Okemah attorney, has been appointed on the new five-member Oklahoma industrial commission. William Fogg of El Reno is chairman; Matt McElroy was reappointed and G. E. Fisher of Oklahoma City is the other appointee.

### New Michigan Commissioners

J. F. Shepherd, Cheboygan and Detroit attorney who was deputy attorney general a few years ago, has been named by Governor Dickinson of Michigan to replace George Krogstad as chairman of the department of labor and industry, which administers the workmen's compensation act. Other new commissioners are: Miss Isabell Larwill, Adrian, who served several years ago; D. A. Knaggs, Monroe, and C. H. Mahoney, Detroit.

The Henry Erickson Company of Chicago was the low bidder on the New Orleans housing project, its bid being \$3,676,000. The award has not yet been made. U. S. F. & G. wrote the Erickson bid bond.

## PERSONALS

F. B. Haynes, superintendent of the bond salvage division of the Aetna Casualty, has just observed his 35th anniversary with the organization. He joined the Aetna in 1904, and was made assistant superintendent of the payroll audit division in 1913. He was made superintendent of the bond salvage division in 1922.

The arrival of a son in the home of Lewis W. Heath and Mrs. Heath, Chicago, elevates Vice-president E. E. Heath of Standard Surety & Casualty to the grandfather class. L. W. Heath is with the Chicago office of Johnson & Higgins as an underwriter in the liability and surety department. His early insurance training was with American Surety and Aetna Casualty, following which he had experience as a special agent.

Calvin Fentress, Jr., vice-president and treasurer Allstate, Chicago, is vacationing in Augusta, Ga.

C. H. Davis, manager railroad department Pacific Mutual, Chicago, has been in Los Angeles at the home office for the past week.

Vestal Lemmon, assistant director and chief rater of the automobile division of the Texas casualty department, is bereaved by the death of his wife in an automobile collision near Palestine, Tex.

F. W. Fritz, safety engineer United States Fidelity & Guaranty, Milwaukee, discussed safety engineering at the monthly meeting of the Racine (Wis.) Insurance Board.

Employers Mutual Liability of Wausau, Wis., has elected A. P. Woodson, a lumber and paper man, as a director.

W. O. Berger and L. P. Briggs have opened a new agency in Albuquerque, N. M. They will also conduct an automobile finance company.

### Holding Regional Meetings

Indemnity of North America is holding a series of regional meetings in some cities of the Atlantic seaboard states. The home office is represented by Vice-presidents J. A. Diemand, Benj. Rush, Jr., and H. P. Stellwagen and Assistant Secretaries C. S. Roberts and Horace Montgomery.

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# POINTERS FOR LOCAL AGENTS

## Need Special Cover Against Hold Harmless Provisions

Even though a corporation maintains an insurance department, a purchasing agent should be familiar with the dangers of hold harmless provisions in contracts and permit bonds and with the necessity of requiring evidence of compensation and public liability insurance when contracts to do work are awarded. An analysis of this situation, with suggestions for meeting it, was presented by Thomas J. Byrne, Jr., of the Chicago agency of Byrne, Byrne & Hahn in an address before Purchasing Agents Association of Chicago. Mr. Byrne is a thorough student of the business and handles the insurance for a number of large industrial firms.

Whenever a person or corporation wishes to erect any obstruction on, over or under public property, Mr. Byrne pointed out, city or town ordinances require that a permit be secured and a bond be filed. Examples of this are sidewalk canopies, display signs projecting over the sidewalk, driveways, sidewalk elevators, vaults, tunnels and caissons and bridges between plant buildings over an alley. These bonds invariably contain a provision, usually in fine print, under which the firm agrees to "hold and save harmless" the municipality from any damages or costs because of any personal injury or property damage sustained as a result of the permit. This means that if any one is injured by the obstruction and makes a claim against the municipality because the injury occurred on public property, the municipality can reimburse itself from the industry.

### Special Liability Cover Needed

The average person, continued Mr. Byrne, would not regard this as a dangerous situation, because he would expect his public liability insurance to protect him. A loss of this type, however, is not liability imposed by law, but is liability assumed by contract and is specifically excluded by the public liability policy. Endorsements to the policy naming the hold harmless agreements and covering them, or a separate contractual liability policy, are necessary for protection. Mr. Byrne urged the purchasing agents to examine all bonds and refer them to their insurance departments or insurance brokers to make certain that they are properly covered. Mr. Byrne pointed out that a business house is running considerable risk in placing orders for installation or service work on its premises unless it makes certain in advance that the other firm carries adequate compensation and liability insurance. To a greater or less degree, the various state compensation laws impose upon owners of property, principals and contractors liability for compensation payments to employees of contractors and sub-contractors working on their premises. He cited a case involving one of his assured in which an engineering company was hired to make structural alterations in the framework of a steel plant. A service man working on a rib in the wall was killed by an overhead crane. The steel company was forewarned and had made certain that the service company had compensation insurance; otherwise, under the law of the state in which the work was done, the family of the deceased employee could have collected \$4,500 direct from the steel company.

Although in some cases the compensation and public liability insurance of the purchasing agents company might

cover a loss which properly should be paid by an outside service company or its insurer, Mr. Byrne pointed out that this would run up the loss ratio of the purchasing agent's company and consequently would increase its insurance costs. Naturally, any oversight of a purchasing agent which would increase any cost of his company, even though not directly in his department, would scarcely react to his credit. Mr. Byrne suggested that the purchasing agent make as a condition to every contract of this type the furnishing of certificates of public liability and workmen's compensation insurance in a company approved by the firm's insurance department or insurance agent. Any company or agent will supply these certificates on request. He also suggested that these certificates be required to contain a provision that insurance will not be terminated without notice to the purchasing agent's company.

### Criticises Hold Harmless Clauses

Instead of requiring certificates of insurance from service contractors, some firms have required these organizations to sign indemnifying or hold harmless agreements in which they agree to reimburse the purchasing company should it be called upon to pay damages resulting from personal injuries during the course of the work. Mr. Byrne maintained that this is not a satisfactory substitute for proper insurance protection. The hold harmless agreement is no

better than the financial solvency of the company signing it. The liability and compensation insurance of the service company will not cover these claims, unless specifically endorsed. Even if the service company carries contractual liability insurance, the purchasing company must still defend legal actions at its own expense and then hope to recover back the cost of damages, if any, by another legal action. Requiring certificates of direct insurance from the service company is a cleaner, surer and more satisfactory method. If the purchasing company has no insurance department, but if its insurance matters are handled by a competent agent, this agent will undoubtedly be glad to examine and approve certificates of insurance as each is issued.

Owners contingent or protective public liability insurance was also cited by Mr. Byrne as a coverage which needs the attention of purchasing agents. If a member of the public is injured by an employee of a service company working on the premises of the purchasing company, it is possible for the purchasing company to be directly liable for this. Mr. Byrne cited several court decisions to this effect. The liability insurance of the service company would not cover the purchasing company and the purchasing company's own public liability insurance will be of no avail, because it does not cover accidents caused by independent contractors or sub-contractors. The owner's protective policy is designed to cover this hazard and every purchasing agent should be sure that his company is properly protected.

A discussion on insurance problems, in which Mr. Byrne was asked and answered a number of questions, followed his talk.

## High Forgery Losses Today Offer Opportunity for Sales

KANSAS CITY—Because forgeries appear to be more frequent today than at any time in the past 20 years, R. P. Phipps, head of the forgery bond division of Massachusetts Bonding, declared that agents should have little difficulty in convincing their clients of the need for forgery protection. Mr. Phipps was speaking at an agents' meeting of the company.

"You have clients who have carried fire insurance for years without suffering a loss," he said, "yet they wouldn't be without the protection. You sell them burglary, automobile, marine, and other coverages so that in the event of loss they will not have to reimburse themselves and thus jeopardize their working capital."

Yet you permit them to expose this working capital daily by means of their signatures on checks and other instruments.

"Once money is deposited in a bank, the only way it can be withdrawn is by means of the depositor's signature. Therefore the signature is the key to the bank account. You would advise your client against sending out keys to his store or factory unless they were well safe-guarded. Then by all means advise them to safe-guard the key to their bank account. Don't be in the position, after a loss occurs, of having your client say: 'Why didn't you tell us about the protection before the loss?'"

In purchasing fidelity coverage most concerns consider only what an employee could steal by means of the physical

taking. Few, if any, carry sufficient coverage to protect against the possible loss by means of forgery. As the depositor's forgery bond covers inside forgery losses caused by employees as well as outside losses caused by the forger it is blanket fidelity coverage on the employees as far as forgery losses are concerned.

Ninety-five percent of the world's business is done by checks and signatures. Evidence indicates that the forger is the most criminally minded of all criminals, and that he is healthiest.

To determine the amount of coverage needed by a concern, Mr. Phipps suggested that the average bank balance be compared with the largest size check issued, and whichever figure is the larger, make that at least the amount of coverage.

### Will Pay for Protection

Use of checkwriters and safety paper (with the gratis policy which is given with some of these protective devices) indicates that businesses want protection on their checks and are willing to pay for it.

"Business today realizes the value of insurance as a guaranty of reimbursement and not simply as a preventative measure. Consequently, when business men rely on insurance to protect their bank account, they should purchase the broadest form of coverage available," Mr. Phipps said.

Discussing prospects for the sale of forgery insurance, he stated that with the organized gangs of forgers attacking

## Snow Explains Unearned Premium Insurance

C. A. Snow, secretary of Phoenix of Hartford, gave a valuable lecture on unearned premium insurance in the school recently conducted by the North Carolina Association of Insurance Agents at Chapel Hill.

Mr. Snow pointed out that unearned premium insurance overcomes the chief objection to writing insurance for a long term. Without this protection, an assured who has a sum invested in premiums stands to lose the unexpired portion in the event of a loss. If the assured carries unearned premium insurance he can be absolutely certain that he will receive the full term premium saving, even though he has a substantial loss early in the policy term. Unearned premium insurance is especially necessary on policies against perils which are likely to cause a severe loss, such as fire, explosion, windstorm and riot.

### Theory of Rate Makeup

The simplest method of writing unearned premium insurance, Mr. Snow continued, is by an endorsement which can be attached to any policy. This provides that if, because of loss occurring during the term of the policy, any loss payments are made which will reduce the insurance, the endorsement will indemnify the assured for the loss of pro rata unexpired premiums. It contains a reducing amount clause and the average liability is one-half the amount shown on the endorsement at inception. The rate charged, accordingly, is one-half of the rate applying to the policy whose unearned premium is being insured.

### Pro Rata Portion

When the unearned premium endorsement is attached at the inception of the policy, the amount of the unexpired premium is the full premium shown on the policy. When it is attached subsequent to insurance, the amount of unexpired premium is the pro rata portion of the premium from the date the endorsement is effected to expiration of the policy.

Mr. Snow pointed out that the unearned premium endorsement does not automatically reinstate the amount of insurance, but it provides sufficient funds to enable the assured to reinstate his coverage.

## ANSWERS

**Question**—We were very much interested in the article on the new gross earnings U. & O. form by J. C. O'Connor. Could you tell us where a copy of this form may be obtained?

**Answer**—If you wish copies of this form, your companies could undoubtedly furnish you with them, or you could get them through the Uniform Printing & Supply Co., 351 West Chicago Avenue, Chicago. We have no information indicating that this form will be authorized in Pacific territory in the near future, but we feel reasonably certain that an attempt will at least be made to do so in the very near future, since it was intended for nationwide use and representatives from your underwriting jurisdiction were on the committee which drafted it.

the individuals' accounts as well as those of larger companies, it is apparent that any type and class of account might be subject to loss at any time.



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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Barrett President of Cleveland Board

CLEVELAND—John W. Barrett was elected president of the Cleveland



J. W. Barrett

Board by the new trustees who were elected at the annual meeting. C. A. Benner is vice-president and S. J. Horton was re-elected secretary-treasurer. The new trustees who will serve three-year terms are Mr. Barrett, G. A. Geuder and H. R. Manchester. Holdover trustees are L. S. Asling, F. B. Ayer, E. B. Berkeley, T. C. Goss, D. E. Herren, retiring president, and Mr. Benner.

President-elect Barrett started his insurance career as an office boy in the Springfield Fire & Marine's western department in Chicago in 1910. After the war Mr. Barrett became Cook county special agent for the Springfield and in 1919 he became manager of the fire insurance department of Owen-Crowell & Co. In 1921 he purchased an interest in the Richey-Barrett Company (present name) and is now president. He was the first president of the Insurance Society in Cleveland, past president of the Casualty Underwriters Association of Cleveland and has been a trustee of the Cleveland Board for six years, vice-president for the past two. Mr. Barrett is a son of the late John T. Barrett, who was with the Chicago Board and Critch-

ell, Miller, Whitney & Barbour until his death in 1936.

In his annual report, Retiring President Herren said the outstanding event of the year was the closing of production branch offices in Cleveland by the Home and Royal groups. Since then the regulations have been recodified and revised. The Cleveland Board has attempted to secure reduction in rates for the extended coverage endorsement as applied to dwellings. Although certain companies have already adopted this lower rate, it remains to be seen whether all companies will fall in line.

The formation of the Paramount Fire is not in the best interests of either agents or companies and is definitely in opposition to the basis on which the agency business has been built up in Cleveland, said Mr. Herren. He commented favorably on the insurance department's new method of checking up on part timers by contacting employers. The Ohio department is now requiring the filing of new qualification blanks by agents which will bring its records up to date, he said.

#### Need for Strong Organizations

The trends in the business definitely indicate that the need for a strong agents organization is greater as time goes on, said Mr. Herren. Many new types of coverages are being brought out and unless local boards are willing to streamline their organizations and recognize the modern trend by taking jurisdiction over these coverages, the control of the business may pass from the agents to the companies, Mr. Herren declared.

Reports were given by the following committee chairmen: Admission, G. A. Geuder; forms, G. W. Phypers; resolutions, E. B. Berkeley; audit and budget, L. S. Asling; legislative, W. E. Flickinger; inspection, H. S. Parsons; financial, J. W. Barrett, acting for C. G. Hale.

### Program of Illinois Agents Is Shaping

J. Edward Martin, colonel U. S. A., retired, one of the veteran leading agents of Illinois, will be toastmaster at the banquet which will wind up the midyear meeting of the Illinois Association of insurance agents at Hotel Fort Armstrong, Rock Island, May 18. He is a West Point graduate and a colorful figure in military, insurance and civic affairs. He is a partner in the Callender & Co. agency of Peoria, one of the oldest agencies in the state, with which he has been associated for many years.

At one time he was chief of police of Peoria and is active in city politics. Colonel Martin long has been very active in the Illinois association, working on many committees and was first vice-president for four years, his term expiring last year.

Capt. C. H. Barth, engineers officer at the Rock Island arsenal, will be the principal speaker at the banquet, talking on "The Cost of Preparedness."

Some of the speakers on the general sessions program are announced this week by W. Herbert Stewart, chairman of the board. Frederick W. Doremus, associate manager western department American of Newark, will talk on "Co-operatives," and at the request of members W. D. Forsyth, general supervisor automobile department of the secretary of state's office, Springfield, again will discuss the drivers' license and financial responsibility laws.

The program is nearing completion. There will be other speakers who are authorities on the subjects they will take

up. There will be an open forum on current questions, discussion of rural agents problems and other timely issues.

#### Nebraska Record in 1938 Analyzed

Stock fire companies of other states and countries received net premiums of \$6,390,702 in Nebraska last year and had net losses paid of \$3,062,913, the Nebraska department reports. The two Nebraska stock companies—National American and National Security—had premiums in the state \$437,808 and losses \$245,753.

Nebraska mutuals had premiums \$627,563 and losses \$216,917. Foreign mutuals had premiums \$927,229 and losses \$317,352. Domestic assessment companies had net premiums, assessments and fees \$972,669 and losses \$544,698. Foreign reciprocals had premiums \$92,921 and losses \$20,511.

Premiums for hail insurance on growing crops of stock companies in Nebraska amounted to \$1,357,763 and losses \$1,187,064. Assessment hail insurers had premiums \$137,086 and losses \$197,646.

#### Renew Wichita Public Insurance

At the Wichita Insurers meeting Secretary H. V. Schott announced renewal of the school board and county insurance, both lines having been supervised by the board for 15 years. They are written under blanket form with 90 percent coinsurance. Changes in the by-laws were discussed. Capt. C. E. Holder of the Wichita fire department gave a fire prevention demonstration. President Howard N. Fullington presided.

#### Company Men to Be Guests

CLEVELAND—Company men have been invited to the annual banquet of the Insurance Board of Cleveland the evening of April 27. An outstanding entertainment program will be offered.

#### Lorain County Rally at Elyria, O.

The Lorain County Association of Insurance Agents will hold its annual banquet at Elyria, O., April 25. C. B. Plummer, field representative of the Ohio Association of Insurance Agents, will be the speaker. About 150 are expected to attend.

#### Levant Speaks at Hibbing

Harry Levant, chairman executive committee Minnesota Association of Insurance Agents spoke on handling public business through a local board, at a meeting of the Hibbing, Minn., local board. He also touched on the advisability of group advertising.

## NEWS BRIEFS

"Bosses night," observed the past week by the St. Paul Association of Insurance Women, brought out an attendance of nearly 150. W. S. Ellis of the Chicago office of the Royal-Liverpool groups spoke on "Multiple Locations." All the bosses present were introduced and some of them spoke briefly.

R. A. Barton talked on the Wisconsin standard policy at a meeting of the 1752 Club of that state in Madison.

The Lansing Association of Insurance Agents will stage a public safety rally April 21. W. O. Hildebrand, secretary Michigan Association of Insurance Agents, will speak.

The 1752 Club of Iowa will hold its annual meeting Friday in Des Moines. M. J. Barrett of DeWitt, Ia., is now president.

Rate books published by Illinois Inspection Bureau are for Antioch (including Channel Lake and Loon Lake),

Beason, Charleston, DeKalb, Henry, Ina, Keenes, Lacon, New Lennox, Niantic, Tremont, Vandalia and Waterloo.

The spring party of the St. Louis court of Cats Meow was held April 18.

The Insurance Underwriters Association of Beloit, Wis., was host at a public showing of the Underwriters Laboratories sound film, "Approved by the Underwriters."

Superintendent Lloyd of Ohio will address the Zanesville, O., Association of Insurance Agents the evening of April 20.

Miss Alice B. Angell has been presented with an electric clock in recognition of 50 years' representation of the Continental at Adrian, Mich.

W. O. Hildebrand, secretary Michigan Association of Insurance Agents, at a meeting of the Detroit Agents Association Tuesday, reviewed legislative developments. He dwelt on the measures to curb the activities of unauthorized insurers, particularly in respect of compensation, and on the bill to permit the personal property floater to be written in the state.

## EAST

### New Hampshire Agents Are Holding Spring Regionals

The New Hampshire Association of Insurance Agents is holding its spring regional meeting this week and next.

The places, dates and chairmen are: April 17, Lisbon, 6:30 p. m., H. T. Woodward and G. T. Noyes, co-chairmen; April 20, Laconia, 8 p. m., Howard Byse, chairman; April 21, Portsmouth, 12:30 p. m., Stowe Wilder, chairman; April 21, Center Ossipee, 6:30 p. m., R. N. Davis, chairman; April 27, Newport, 12:30 p. m., V. J. McPherson, chairman; April 27, Peterborough, 6:30 p. m., E. W. Webster and W. C. White, co-chairmen; April 28, Manchester, 12:30 p. m., R. S. Perkins, chairman; April 28, Nashua, 6:30 p. m., Donat Corrivan, chairman.

Agents of Coos county and northern Grafton county are meeting together this year. Concord agents will join those of Manchester on the date scheduled for the latter city. The mid-year meeting of the National association and legislation will be reviewed at the meetings.

### F. I. A. Regains Important Line on Soule Mills

The Factory Association of Hartford is again carrying the extensive line of the Soule Knitting Mills at New Bedford, Mass., which it lost to the factory mutuals about three years ago, and upon which the latter paid a very heavy loss as a result of the destructive fire in the property last September.

Adjustment of the claim, it was reported at the time, created feeling between the interested companies and the plant owners. The point at issue was the extent of the fire damage apart from that of "wave loss." The burning of the plant followed shortly the hurricane of Sept. 21. Some of the Soule buildings were completely destroyed, and the coverage now had with the F. I. A. is only on the reconditioned structure, and those that escaped damage last fall.

### Ellis Again Heads Society

BOSTON—At the annual dinner meeting of the Insurance Society of Massachusetts, Alexander Ellis, Fairfield & Ellis, was reelected president. Other officers are: Vice-presidents,

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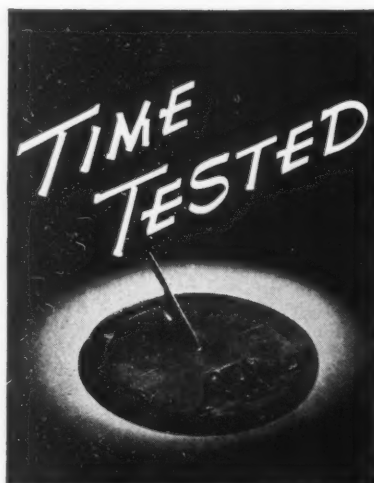




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## Reelect Boston Protective Officers

BOSTON—Directors of the Boston Protective Association reelected A. J. Anderson of O'Brien, Russell & Co., president; Alfred N. Miner of Gilmour, Rothery & Co., vice-president and C. W. Gooding secretary-treasurer. A National Board committee headed by Vice-president C. W. Pierce, Continental, has been in Boston discussing plans for the future of the department.

## Pa. Commission Bill Hangs Fire

HARRISBURG, PA. — Legislation setting a standard 25 percent commission for fire insurance agents in Pennsylvania remained on the postponed calendar in the senate this week after passing first reading the day after it was introduced.

The proposal, sponsored by Senator Crowe, is the subject of much debate among Pennsylvania agents. It would,

in general, increase commissions for agents in towns and rural sections and decrease payments to metropolitan agents.

## Forum Celebrates Anniversary

BOSTON—The Insurance Forum will mark its first anniversary with a banquet at the University Club of Boston, on April 27. Speakers will be Kenneth H. Erskine, Boston manager of the Liverpool & London & Globe, and Warde Wilkins, New England Rating Association.

## Pennsylvania Committees Meet

HARRISBURG, PA.—The conference and legislative committees of the Pennsylvania Association of Insurance Agents met here, followed by a meeting of directors of the association.

Plans for the 1939 convention and current legislation were the chief topics of discussion, according to Frank D. Moses, secretary-manager.

## NEWS BRIEFS

The Woodward & Williamson agency of Jersey City is celebrating its 70th anniversary. The office is one of the oldest in New Jersey.

The Knight-Baker agency, Gardiner, Me., which recently absorbed the H. H. Jordan and Bragdon agencies, has been purchased by H. M. Grover, local agent there for eight years.

Cook's Insurance Service, Titusville, Pa., has purchased the L. M. Ward agency, Pleasantville, Pa., and will continue its operation under the management of C. D. Caldwell.

## PACIFIC COAST AND MOUNTAIN

### F. & G. Fire Coast Manager Resigns

SAN FRANCISCO—Guy A. Inman has announced his resignation as Pacific coast manager of Fidelity & Guaranty Fire. He presented his resignation to President Frank A. Gantert and Vice-president Harry Ogden during their visit to San Francisco attending the conference of U. S. F. & G. representatives in northern California. He established the Pacific department in 1929, after having been secretary Pacific department of North British for several years. He has been in the business since 1907. Until a permanent successor is appointed the department will be under the direction of L. B. Stackpole and George A. Yocum, superintendent of agents, and chief underwriter respectively, as acting managers.

### Expirations Issue Before High Court

The case of Port Investment Company, local agency of Portland, Ore., vs. Oregon Mutual Fire is being argued this week before the supreme court of Oregon.

Port Investment Company, of which Charles L. Stidd is president, bought the business of R. R. Quick, who for many years had been an agent of Oregon Mutual. The Port Investment Company assumed that the expirations were part of the business that had been purchased, but Oregon Mutual solicited the renewals direct from the assured. Port Investment Company obtained an injunction but the circuit court dismissed the case and Oregon Mutual was given the decision on the ground that all policyholders in a mutual are stockholders and therefore the expirations were the property of Oregon Mutual and its stockholders and the local agent had no legal right to such expirations.

Port Investment Company states that practically all of its business for the last five years, during which it represented Oregon Mutual, was given to Oregon Mutual. Part of the business went to

other companies, it consisting of risks which were not acceptable to Oregon Mutual, plus a reasonable amount of other business that was given to the other companies in order to satisfy their demand for an average business of reasonable quality. Port Investment Company had two other insurers in its office at the time but it states that more than 90 percent of the business went to Oregon Mutual.

### New Coast Setup for Netherlands

Balfour, Guthrie & Co. has been named Pacific Coast manager for Netherlands and Caledonian-American. This arrangement was made in view of the fact that C. C. Stutt, who was Pacific Coast manager of the Netherlands, has gone with New Zealand and South British as United States manager. U. S. Manager R. R. Clark announced the new arrangement personally while on the coast.

### Rich Heads Oregon Committee

SAN FRANCISCO—At a meeting of the Oregon conference committee, W. G. Rich, assistant manager Royal was reelected chairman and H. R. Jackson, manager Atlas, vice-chairman.

Walter Van Orden, assistant manager National of Hartford, has been elected to fill the vacancy on the Idaho advisory committee caused by the death of W. A. Louis.

### Cooney to Visit Coast

John R. Cooney, president of the Firemen's group, is due in San Francisco this week for a visit of several days to Pacific department headquarters.

### Lecture on Inland Marine Losses

SAN FRANCISCO—A special lecture on inland marine losses was presented by the Fire Underwriters Association of the Pacific with John J. Walsh of the loss department of the Fireman's Fund as lecturer. Like a similar lecture the previous week by

M. J. Collopy, marine underwriter Automobile of Hartford, the lecture was in response to a request from associate members for more information on inland marine business.

### General Agency 25 Years Old

W. R. McDonald, head of the Portland, Ore., general agency bearing his name has just completed his 25th year in that capacity. It was just 25 years ago that he signed contracts with General Accident, Hanover Fire and Potomac, and has represented those companies ever since.

### Increase Los Angeles School Cover

LOS ANGELES—The school board has purchased \$1,600,000 fire insurance on bungalow buildings at various schools from the school board committee of the Insurance Exchange of Los Angeles. The line is being allocated to board and non-board stock companies that were on it pro rata, with some additional companies to carry the added coverage.

### Study Cooperation Problem

LOS ANGELES—A special joint committee is being formed by the Insurance Exchange of Los Angeles, with representation from all branches of stock insurance. Particular attention will be given the discouragement of cooperative and non-profit enterprises.

The following company representatives attended the first meeting: Non-bureau—A. C. Hartman, Pacific Employers; Marvin Hewitt, Associated Indemnity, and W. B. Henn, Swett & Crawford. Pacific Board companies—V. W. McKinney, America Fore; Roy O. Elmore, Pacific National Fire; H. W. Semmelmyer, Great American-Phoenix group. Bureau Casualty companies—W. E. Shiels, Travelers.

### England Reports on Meeting

DENVER — Frank England, secretary of the Colorado Association of Insurance Agents, who attended the meeting of the Association of Far West National Councilors at Salt Lake City, was scheduled to report on that meeting before the Denver Association of Insurance Agents this week.

## IN TABLOID

Fire at Albuquerque, N. M., caused damage estimated at \$100,000 to the Berger Terminal & Warehouse Co. Basement, second and third floors were used for storage by the American Furniture Co., loss \$15,000 partly covered, and Montgomery Ward & Co., loss between \$20,000 and \$30,000. Damage to the building, owned by Jo Massaglia, was estimated at \$25,000, covered by insurance.

Stockton Rush, secretary of the North America, and Thomas Cass, manager automobile department, were in Los Angeles.

Harry M. Giles, Seattle, won the \$15 cash prize offered by King County Insurance Association for the best slogan in connection with home safety, with the phrase, "EVERY HOME A SAFETY ZONE."

Insurance Women's Association of Portland, Ore., will hold an installation banquet May 25. Mildred Swanson of Harvey Wells-Reed Insurance Agency will be in charge.

The San Francisco Insurance Women's League participated in a discussion on court room procedure. Judge Theresa Meikle of the San Francisco municipal court arranged her address "On the Witness Stand," so it simulated an actual court room scene.

The Insurance Women of Denver entertained their "bosses" at a banquet. Entertainment was arranged by the executive committee, headed by Elsie B. Mayer, president.

## SOUTH

### Another Arkansas Rate Cut Forecast

LITTLE ROCK.—In advance of formal issuance of the order, the Arkansas fire rate reduction to be made effective about May 1 is estimated at \$1,000,000 compared to \$878,643, which is the estimated saving by the rate reduction order of May 1, 1938. Act 163 of 1919 directs revision of the fire rate structure to hold underwriting profits at 5 percent computed over a five-year period.

The underwriting experience of the five years to April 1 is being studied by Commissioner Harrison.

The 1938 rate reduction was applicable chiefly on residences and Governor Bailey this year expects to extend the reduction to other classes of property.

### Local Board Cooperation Move

TAMPA, FLA.—The movement for a cooperative agreement among local boards in the state is about where it was before the recent state convention at Hollywood. At that meeting the local board cooperative committee reported: "That the incoming president appoint a chairman who will work with an organized committee composed of one representative from each local board of the state to continue the study of a cooperative agreement among the local boards, either in its present form or with amendments thereto."

### Alabama Mutual Agents Elect

At the annual meeting of the Alabama Association of Mutual Insurance Agents in Birmingham, Ray Schultz of the Schultz-Hodo Agency, Birmingham, was elected president; T. E. Clark, Florence, vice-president, and G. B. Edwards, Montgomery, secretary-treasurer. Additional directors are Mrs. Mary P. Banister, Anniston; H. H. Pritchett, Tuscaloosa; J. H. Vaughn, Mobile, and Ed Jordan, Sylacauga.

Speakers included J. M. Eaton, American Mutual Alliance, Chicago; E. J. Brookhart, secretary National Mutual and Celina Mutual Casualty, Celina, O., and E. G. Hitt, president Associated Mutuals, Atlanta.

### Many Florida Bids for 1940

TAMPA, FLA.—The Florida Insurance Agents Association has received invitations from Miami, Hollywood, West Palm Beach, St. Petersburg, Tampa and Pensacola for the 1940 convention.

### Arkansas Group 3 Meets

MORRILTON, ARK.—Group 3 of the Arkansas Association of Insurance at its annual meeting here heard addresses by Commissioner Harrison and L. R. Martin, Pocahontas, association manager. The group covers central Arkansas.

### Agents Offer Scholarship

MOORHEAD, MISS.—The Yazoo-Mississippi Delta Local Agents Association is offering two scholarships in Sunflower Junior College, one to a young man and one to young women. J. H. Johnson, Clarksdale, is chairman of the educational committee.

### Jenkins Heads Clarksdale Board

The Clarksdale (Miss.) Insurance Exchange has elected these officers: L. B. P. Jenkins, president; Lee Latham, vice-president; J. H. Davis, secretary-treasurer.

### NEWS BRIEFS

Col. Joseph Button, former Virginia commissioner, now secretary-manager of the Stock Company Association in Washington, and O. M. Alfriend, Richmond local agent, have been reelected members of the vestry of All Saints

### Presides at Louisiana Agents Annual Rally



A. M. DREYFUSS

A. M. Dreyfuss of Shreveport is presiding as president of the Louisiana Insurance Society at the annual meeting in Lake Charles this week.

Episcopal Church in Richmond, Va. Mr. Alfriend is junior warden and treasurer of the church.

Official action was deferred until April 21, at the meeting in Oklahoma City of the committee appointed to formulate plans for organization of a group to promote and protect stock company interests in Oklahoma. John S. Adams, Oklahoma City, is general chairman.

John A. Bosdett, Oklahoma Business Development general chairman, estimates an average attendance of 80 at each of a series of meetings held in Tulsa since March 31. Sam H. Stewart, zone chairman, conducted all meetings except the last, of which Wallace Rodgers, assistant manager Western Underwriters Association, had charge.

As a token of appreciation of long service, G. M. King, secretary Mutual Assurance Society of Virginia, was presented a handsome silver service. He has just completed 35 years' continuous service.

## CANADIAN

### Lloyds 1938 Auto Business in Canada Makes Big Jump

TORONTO.—Figures of the 1938 business of non-marine underwriters at Lloyds show an increase of \$800,000 in automobile premiums. Fire premiums also were higher. Figures for the various types of insurance written in Canada follow:

	Net Premiums	Losses Incurred
Fire .....	\$1,682,501	\$1,147,781
Automobile .....	2,814,355	1,979,699
Accident .....	111,986	53,571
Aircraft .....	99,354	154,153
Boiler & Mach. ....	73,218	4,990
Employers Liab. ....	10,850	1,429
Guarantee .....	161,124	84,334
Hall .....	184,093	190,046
Inland Trans. ....	75,144	58,764
Livestock .....	19,395	30,983
Public Liab. ....	226,402	84,642
Prop. damage .....	22,729	9,784
Sickness .....	1,849	751
Sprinkler Leak. ....	1,254	5
Theft .....	79,439	18,168
Weather .....	6,612	275
Personal Prop. ....	12,999	1,750
Workmen's Comp. ....	25,338	12,005

### Halifax in Boiler Field

The Halifax Fire has recently established an engineering and inspection department to handle boiler and machinery risks. E. B. McBryde, assisted

by G. T. Wood, will have supervision of the new department while S. M. Quinn will act as inspector at Halifax. Mr. McBryde and Mr. Wood were formerly with the Boiler Inspection of Canada and later were joint representatives of Lloyds as Ajax Insurance Services, Ltd.

### Continue B. C. Fire Marshal Tax

VANCOUVER, B. C.—British Columbia has extended for another year the arrangement whereby the provincial treasury receives about \$30,500 from a special levy of 1/2 of 1 percent on fire and automobile premiums for maintenance of the fire marshal's department.

## MARINE

### Stamp Collection Floater Form, Rates Changed

Changes have been made in the stamp collection floater form and rates by the Inland Marine Underwriters Association effective June 1. Cancellation and re-writing will be permissible only at short rates.

The exclusion from the old form of loss or damage in or on aircraft in flight has been eliminated. Loss by theft from unattended automobiles is excluded unless the property is in custody of railway express, armored car companies or while being shipped by registered mail or parcel post. This exclusion may be deleted for 10 percent extra premium but not less than \$5.

A change has been made in the valuation clause. It is permissible to issue three-year term policies at three times the annual premium and minimum premium. The new rates are 75 cents per \$100 for the first \$5,000 or less and 50 cents per \$100 for the excess from \$5,000 to \$10,000. This greater value must be specially submitted and rated. The rates given are the entire rates and are not loading to the fire contents rate of the premises where the collections are kept. As heretofore a 10 percent credit will be given if the assured agrees to keep the insured property in a fireproof safe with a combination lock when the collection is not in use or not on exhibition.

Territorial limits may be extended for an additional premium. Exclusion "B" relating to infidelity of persons to whom the stamps are entrusted may be deleted by paying additional premium of 25 cents per \$100, but not less than \$5.

### Pool Insures "King's Enemies" Risks

A pool consisting of London Lloyds and marine underwriters has been formed to insure cargo to and from the United Kingdom "against the king's enemies." A reinsurance arrangement will be effected whereunder the English government will take over the catastrophe hazard. Legislation to make such a reinsurance system operative will be introduced shortly.

The new "king's enemies" risks on cargoes for the United States and Canada are now quoted at 2 1/2 shillings a £100 cargo value. The rate between the United Kingdom and the Continent between Harwich, Amsterdam, Southampton and St. Malo was quoted at 1 1/2 shillings and between other ports at five shillings. Baltic Sea rates were raised from 10 shillings to 30 shillings while Mediterranean Sea rates were boosted from 10 shillings to 35 shillings.

### Ben O. Little to Harrisburg

Ben O. Little, who has been manager of the Chicago city and suburban marine department of the North America, with headquarters in the western department office, Chicago, has been transferred to the service office that is maintained by his company in Harrisburg, Pa.

Herndon Wolfe, local agent, has been elected president of the Columbia, Tenn., Rotary Club.

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## MOTOR

### Missouri Calls for Finance Data

The Missouri department has issued a call for information on automobile finance writings in the state, the information to be filed not later than May 1. Business written for credit unions of employees shall be regarded as finance risks, the department states.

The information called for includes name of the finance company, effective date of master policy or date account was acquired if individual policies are written; rates used; coverages written, commissions allowed and how distributed and a statement as to whether the scale of commission differs with the coverage; names and addresses of agents and brokers connected with the account; whether the 2 percent monthly reduction, or any other restrictive clause is used and if so whether the clause appears in both the certificate and the master policy and whether the assured is given credit for its application; how the individual certificate is delivered to the assured and by what office and a brief description of all endorsements attached to the master policy. Similar reports must be made as of July 1, 1939, Sept. 1, Nov. 1, Jan. 1, 1940, and March 1, 1940.

### Kansas Issues New Auto Rules

TOPEKA—Commissioner Hobbs of Kansas has directed participating companies that have been crediting policyholders dividends to the agents' accounts, instead of paying them directly

to the assured, to discontinue that practice. All fire and casualty companies issuing participating policies shall issue their checks for such dividends payable to the assured, the department ruled.

Mr. Hobbs also has ruled that powers of attorney issued by any agent, authorizing some other individuals to sign policies in their name and stead must be canceled. Such powers of attorney, Mr. Hobbs said he is informed, have been executed either at the suggestion of insurance company officials or approved by counsel of the companies. Under the statute, the insurance commissioner is the only officer who may issue licenses to agents to countersign policies, he points out.

Another ruling of the Kansas department is to the effect that automobile fleet policies shall only be issued when they cover at least five or more automobiles of any type all owned by one assured and under one direct operating management. Mr. Hobbs states that he has been informed that some companies have permitted individually owned automobiles to be included in fleet policies in violation of the manual rules that are on file.

### Leo Kling Heads N. Y. Claims Body

Leo L. Kling, Home, has been elected president of the Automobile Claims Association of New York. Robert Wilmerding, National Fire, is vice-president, W. C. Euler, Appleton & Cox, treasurer and E. C. Keating, Great American, secretary. At the annual dinner and entertainment a number of special guests attended, including Captain Edward Dillon, head of the automobile squad of the New York police department; Harry Bragg, general manager Automobile Merchants Association of New York, and Ralph Ebbert, general manager Brooklyn Motor Vehicle Dealers Association.

The association is working on the problem presented by the increased amount of car stripping, particularly of radios, and is holding a joint meeting May 23 with the Automobile Underwriters Club to discuss the entire theft problem. Ordinarily no records are kept of the serial numbers of car radios. The feasibility of requiring radio serial numbers in applications for theft insurance will be discussed.

The 59 Maiden Lane Club, composed of Employees of the Home group, will hold its annual show and dance at the Hotel St. George.

### Maintain Standards, Avoid Outside Rule, Buck Urges

(CONTINUED FROM PAGE 5)

Executives signed the report of a committee which drew up a covenant for the Union and called the first regular meeting for Sept. 22 of that year in Chicago. The September meeting of the Western Underwriters Association will fall within three days of the 60th anniversary of the first meeting of the Union and Mr. Buck suggested that consideration be given to a suitable recognition of this occasion.

Among interesting features of the pioneer days, Mr. Buck pointed out that all surviving companies of the original 19 have representatives who are members of the W. U. A., that one of the Western Union's first acts was to stabilize commissions at 15 percent flat and that the original territory consisted of Ohio, Kentucky, Tennessee, Alabama and the states and territories west and north to the Rocky mountains. At an early meeting a special committee was appointed to confer with the St. Louis Board "in relation to such measures as were deemed necessary in order to place the business of fire underwriting in St. Louis on a satisfactory basis."

### High Praise for Thomas

Coincident with the 60th anniversary of the organization, Mr. Buck reminded the members that Manager C. F. Thomas completed 10 years of service

at the beginning of this year. He became secretary of the Western Union January, 1929, and at the close of that year, he took over the same position with the Western Underwriters Association which, with much enlarged membership, succeeded the Union.

"Then began," continued Mr. Buck, "a period unparalleled in business history for its departure from familiar precedents. This accentuated the need for an executive possessing the utmost in discernment and judgment. Previous years of ripe experience qualified him to administer these duties with ability and discretion."

"In widely involved and perplexing circumstances he upheld the finest traditions of this association, based on the highest principles of business honor and integrity."

"These sterling qualities, together with his loyalty and devotion to his task, have endeared him to all, and through the membership there has permeated a profound respect for his great capabilities and a wide admiration for his amiable personal characteristics."

"I am confident the members of this association join the officers and governing committee in paying him tribute and in wishing that the coming years may bring him joy, contentment and continued success."

### Public Relations Work

The public relations committee, Mr. Buck reported, has done outstanding work and the W. U. A. has had requests from practically every state for outlines of its methods and material. Field club organizations are at an all time peak of constructive activity, particularly in regard to collections and in promoting stock fire insurance interests.

"It is my opinion that present conditions call for a lot of right thinking," Mr. Buck concluded. "There are several paths out of the thicket and most of them have only the lure of expediency. We might set up a flirtation with the several states for a state depart-

mental direction of all competitive channels of our business, or we might invite the federal government to purify our operations by filtration through a central bureau at Washington with branches at strategic points in the field the better to help us, or if we want no regulation from without and feel that until premium volume is restored to the 1929 level, it is futile to attempt self-regulation, we can suspend all rules. Any one of these proposals would temporarily relieve the pressure of present conditions, but they all lead to a fool's paradise. There is only one right way out. It is uphill, but the road is straight. The sun shines on it. The best people in the world travel it. They are all going one way—up. The hard thing about it is to find the road. No one can find it for you. So you will be sure when you have found it, every step of the way is marked in gold letters: Do right. Come, let us go."

### W. U. A. Reelects Its Officers

(CONTINUED FROM PAGE 3)

to insurance on all classes declined more than \$1,000,000.

There was a large attendance, especially from the east.

In the lobby the Missouri compromise revelations were the subject of earnest conversation. Executives realize that they became innocent bystanders, but they are relieved that the mystery is solved and the matter is now in the open. The record of the business itself is not tarnished.

### Weather Disappointing

Evidently at this time of the year, the weather is uncertain. It has been bleak, with skies overcast and intermittent rain. The golfers were keenly disappointed. There is growing sentiment



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to make this the place for the fall meeting, but to seek some more southern point for the April assembly.

H. M. Carmichael of Chicago, manager Oil Insurance Association, took advantage of the presence of so many easterners to have a meeting of its executive committee.

#### Violations at St. Louis

The only important controversial subject related to commission violations at St. Louis and the means of coping with irregularities. The governing committee reported its conferences with Louisville agents and its deliberations over commissions there but stated that no final conclusion had been reached.

In its report on cooperative loss adjustment practices the governing committee referred to the action in 1934 when it was decided to defer payment of losses to maturity date where a public adjuster is employed. This was intended to apply to Chicago particularly where the activities were more pronounced. The committee reported that non-organization and some member companies ignored the rule. Where the rule was applied the public adjuster would secure an assignment from assured, discount it with a finance company, retain his fee and the claimant would get the amount less the finance charge and adjusters fee. This caused much feeling against the company.

It was decided hereafter to apply the rule only to questionable and unsatisfactory losses.

#### Commission Reduced in 1934

The governing committee reported that prior to April, 1934, the commission on publicly owned electric light and power stations was 25 percent. It was then reduced to 15. The committee reported that much pressure had been brought to restore the former percentages. Competitors in some cases paid 30. Where commissions on public business were distributed to local board members the Western Underwriters Association companies were denied participation but their agents enjoyed returns based on amount paid by competitors.

It was voted to restore the 25 percent on publicly owned waterworks, pumping plants and lighting stations and contents excluding city, town or suburban railroad and street car property, fair grounds, penitentiaries, and other penal institutions.

The public relations committee reported that more attention is being given to direct service in that field men no longer require help at zone meetings. Considerable progress was reported in contacting trade bodies, providing speakers and exhibits. Enlightening information on consumers cooperative is being furnished such organizations.

Agents and field men are furnished standardized talks for civic groups. The executive headquarters at Chicago, it was reported, has become a veritable bureau of information. The committee finds that the mutuals are making a special drive for schools and other public property, particularly through the Building Owners Federation, a pool consisting of the Kemper companies, Federal Hardware & Implement Mutuals and Improved Risk Mutuals.

#### Special Strategy Devised

The committee stated it has devised special strategy to combat this movement. More efficient and highly specialized service is provided. An effort is being made to relieve agents of the urge and temptation to represent non-stock carriers. It was stated that there is now a practical end to demand for rate reductions to meet non-stock competition. The committee asserted the trend toward non-stock insurance has been arrested.

In 1934, the committee reported W. U. A. companies wrote 71.03 percent of the business and in 1937, 72.06. This meant \$2,300,000 additional premium in 1936 and \$300,000 more a year later. In 1937 W. U. A. companies premiums were \$47,685,692 or 34.56 percent above the

low point of 1933.

The committee reported that nearly every western fire mutual wrote less premiums last year than previously while the expense and loss ratios increased. At this meeting there is a large attendance of association managers who came for conferences and as observers.

The golfers got a favorable break Tuesday as the overhanging clouds partly cleared, the weather was milder and the soggy courses were more playable.

#### Subscribers Committee Session

After the morning session, the subscribers actuarial committee met with Chairman E. A. Henne presiding. There was no session in the afternoon but the committee on order of business met with W. N. Achenbach, Aetna Fire, in charge. Most of the non golfers sat in.

President J. M. Thomas of National Union presented the memorial for Vice-president F. C. Hatfield, Phoenix of Hartford.

A. F. Powrie, Fire Association, chairman Chicago committee, reported the agreement of the committee of 10 on reduction of acquisition cost, the opposition to it, the counter proposals and the demand of the Illinois department for certain figures. Until the department makes known its findings nothing seemingly can be done.

#### GREENBRIER BRIEFS

Four sturdy golfers arrived at White Sulphur Springs, Wednesday of last week, prior to the Western Underwriters Association meeting to test the two courses and get in championship trim before the big contingent arrived. They were S. M. Buck, Great American, W. U. A. president; C. H. Smith, Hartford Fire, vice-president; E. A. Henne, America Fore, chairman subscribers actuarial committee, and R. D. Hobbs, manager Western Actuarial Bureau.

F. W. Doremus of Rockford, Ill., associate western manager American, started the day wrong Friday when he went to Chicago to take the H. W. Chesley special train for White Sulphur. He forgot his watch to start with. Then his zipper bag refused to zip and he had to buy another repository at Chicago with no modern clutching apparatus. He landed in the regular train out of Chicago instead of the Chesley special. The Chesley special carried four cars of W. U. A. people and made but few stops. There was much consternation as to Mr. Doremus' whereabouts until he belatedly trudged into the Greenbrier.

There were two sons of well known sires present—John B. Carvalho of Hartford, son of President B. N. Carvalho of Northeastern of Hartford, and Herbert Sturhahn, famous Yale all-American football player in his day, son of Carl F. Sturhahn, board chairman of the company, in charge of the New York City office. J. B. Carvalho is vice-president of Metropolitan Fire Reassurance.

C. A. Ludlum, retired vice-president of the Home, received word while at White Sulphur, that his famous mounted marlin would be exhibited in the New York state building at the Fair. He hooked this fish off the Long Island coast while after blue fish. It weighed more than 84 pounds and exceeded 8 feet.

Vice-president C. C. Hannah of Fireman's Fund met Assistant Western Manager J. J. Ferguson at the meeting. Manager E. D. Lawson remained home, as Mrs. Lawson is at a hospital having suffered a nervous breakdown. She is now on the mend.

What would the Greenbrier be without Thompson, the railroad ticket agent on the ground floor, and the old silver topped head porter?

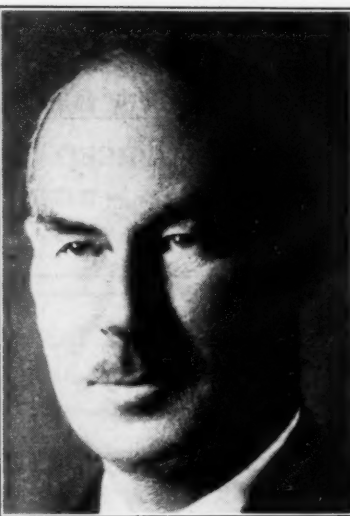
William Deans of Selbach & Deans general agency of San Francisco, stopped off en route home from the east. He was accompanied by Mrs. Deans.

P. J. Berry, new president of Security of Connecticut, attended his first W. U. A. meeting.

J. K. Shepherd, Little Rock general agent, and Mrs. Shepherd, motoring to New York City, stopped off at White Sulphur.

Manager L. T. Wheeler of the Southeastern Underwriters Association, con-

#### Canadian Leader Attends W. U. A. Convention



J. H. RIDDEL

J. H. Riddel of Toronto, Canadian manager of Eagle Star and president of the Dominion Board of Underwriters, was a welcome visitor at the annual meeting of the Western Underwriters Association in White Sulphur Springs, W. Va. He was escorted by H. G. Casper, U. S. manager of Eagle Star.

ferred with some of the organization men.

Manager M. L. Brownlow of the Underwriters Salvage Co. of Chicago hobnobbed with the conventioners.

J. R. Wilbur, Evanston, Ill., former western manager America Fore, was present.

Vice-president Grant Bulkley, Springfield F. & M. arrived in White Sulphur from a visit to his home office preparatory to making his permanent abode there the first of the month.

Manager W. F. Roembke of the Explosion Conference joined the golfers' ranks.

R. M. Beckwith of Chicago, assistant manager Western Actuarial Bureau, was present to give some expert golf advice to Manager Russell Hobbs.

Secretary Sumner Rhoades of the Eastern Underwriters Association was an interested visitor.

Western Manager Robe Bird of the American, who just arrived home from a vacation in southern California with Mrs. Bird, stopped off at Rockford to see his daughter and then hastened to White Sulphur to join Associate Manager F. W. Doremus, Vice-president L. E. Falls and Secretary L. E. Kietzman.

President Gustav Remak of the State of Pennsylvania and his two daughters, Mrs. Ramsey and Mrs. Morris, a trio of super-expert bridge players, captured a few victims in that pastime.

Secretary J. D. Erskine of the Insurance Executives Association, and Mrs. Erskine were favorite attendants.

Manager C. F. Shallcross of the North British, who underwent an operation for appendicitis, and contracted pleurisy, is back on the job, looking particularly fit.

Secretary H. L. Wayne of the Inland Marine Underwriters Association, arrived Tuesday.

#### Meetings on Premium Financing

Allan C. Stevens, local agent of White Plains, N. Y., and president of Great Eastern Fire, is holding several group meetings the week of May 8 for those bankers who are interested in learning more about insurance premium financing as a means of obtaining 6 percent secured loans. There will be a meeting in Detroit May 8, Chicago May 9, St. Louis May 10, Indianapolis May 11 and Pittsburgh May 12. Mr. Stevens some time ago devised a plan for bank financing of premiums.

#### Records Surpassed at Terre Haute

TERRE HAUTE, IND.—The fire prevention meeting here April 19-20 sur-

passed all records in the state. Cooperation was given by city officials, fire department, agents, civic clubs, and newspapers. The local board committee was headed by Allen D. Merrill. The committee secured special fire prevention section in the newspapers and hourly radio announcement. The luncheon was attended by 350 with J. Burr Taylor as speaker. Local board president is Robert A. Noe. President of the Indiana State Fire Prevention Association is R. C. Walker, Liverpool & London & Globe. This is the home of Clem Smith, state fire marshal, represented at the meeting by Chief Inspector Joseph Sherer and seven men.

#### Big Joint Rally in Philadelphia

PHILADELPHIA — Education of the agent and the public to the value of stock insurance is the most important task confronting the business today, Harry K. Schaffler of the National Board told special agents and agents of eastern Pennsylvania and southern New Jersey Monday night at a meeting here.

Harry M. Diggins, oldest employe of THE NATIONAL UNDERWRITER, died in Cincinnati at noon Wednesday of a heart attack.

  
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## Day of Change in Auto Policies

(CONTINUED FROM PAGE 3)

belong to this association have been given permission to make the broader coverage immediately effective if they so desire.

This seems to be a day of changes of many kinds in the automobile insurance field. The American Mutual Alliance just announced that its member companies will soon issue new forms of automobile fire, theft, collision and comprehensive policies. The new contracts, according to the announcement, include provisions for automatic insurance of newly acquired automobiles, extension of the area in which the policy covers to include United States and possessions, Canada, Newfoundland and ships moving between these territories and agreement that legal action may be instituted against the insurer at any time within the period set by statutes of limitations, rather than only during the two year and a day term now provided in the policy. The policy is clarified to make it clear that flood damage and water damage are separate perils, with flood coverage provided only by the comprehensive policy.

There is an agreement that an automobile is not carrying passengers for hire unless an actual "charge" rather than a "consideration" is collected. There is specified that damage caused by any falling object shall be indemnified under the comprehensive coverage.

The American Mutual Alliance states that in the New England hurricane many assured mistakenly believed that damage such as that caused by falling trees was covered only by collision policies and did not realize they could collect under comprehensive contracts.

The National Automobile Underwriters Association has had a committee at work for several months on preparation of a new and simplified automobile fire, theft and collision contract for the stock companies.

### Action on West Coast

The West Coast Automobile Insurance Conference has voted to follow the lead of the bureau companies and include the limited drive other private passenger automobile coverage, the non-ownership liability for domestic servant and the hiring occasionally of other car endorsements in its policies without any additional premium.

Steps were also taken to amend its rules so as to include the loss of use by theft reimbursement endorsement.

### Text of Endorsement

The new automobile endorsement approved by the bureau reads:

"It is agreed that such insurance as is afforded by the policy for bodily injury liability and for property damage liability also applies:

"(1) to the named insured, if an individual and the owner of the private passenger automobile described in the policy, hereinafter called 'the named insured,' and to the wife or husband of such named insured, as an insured, if a resident in the household of such named insured, or

"to the named insured, if a husband and wife and if the private passenger automobile described in the policy is owned by either or both, hereinafter called 'the named insured'; and

"(2) to the individual named below, as an insured, if a relative of and a resident in the household of the named insured, with respect to the operation of any other private passenger automobile by any such insured, or by a private chauffeur or domestic servant in the employ of any such insured, and with respect to the presence of any such insured in any other private passenger automobile, provided:

"(a) such use is 'pleasure and business' as defined in the policy; and

"(b) such use is with the permission

of any person having the right to grant such permission; and

"(c) the automobile is not (1) owned in full or in part by, or registered in the name of, the named insured or any member of the named insured's household, other than a private chauffeur or domestic servant employed in connection therewith, or (2) hired as part of a frequent use of hired automobiles by, or furnished for regular use to, the named insured, a member of the named insured's household, or a private chauffeur or domestic servant employed in connection therewith; and

"(d) the insurance applies only to such insured; and

"(e) the insurance shall be excess insurance over any other valid and collectible insurance available to the insured, either as an insured under a policy applicable with respect to the automobile or otherwise, against a loss covered hereunder.

"Except as used in paragraph (c) the

word 'automobile,' wherever used in this endorsement and in other parts of the policy when applicable to this endorsement, shall include a trailer, other than a trailer home, while used exclusively for personal, pleasure or family purposes, other than business purposes, with such other private passenger automobile.

### Loss of Use Provision

"Names of individuals, other than aforesaid husband and wife, who are relatives of and residents in the household of the named insured and who are to be covered hereunder as an insured."

In connection with the loss of use endorsement, the recovery is limited to the value of the car. In other words, if the car is worth less than \$150, the assured can collect under the loss of use provision only the value of the car.

The drive other car coverage of the National Bureau was approved by the Illinois department Monday of this week.

## Luke Kavanaugh Colo. Commissioner

(CONTINUED FROM PAGE 3)

dition," recommended: Immediate removal from office of Miss Flora E. Stone, a department examiner, and the filing with the civil service commission of charges against her; that action be taken by the attorney-general to recover about \$3,000 in rebates allegedly given to the Fremont County Coal Association by International Mutual; appointment of a conservator of International Mutual; removal from office of the present officers of International; immediate appointment of a commissioner to replace Cochrane; appointment of two examiners and an actuary; enactment of legislation to stop abuses which have allegedly been prevalent among certain insurance companies and associations.

Before filing its report, the committee

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had been empowered by the house to extend its investigation to take in mutual benefit postmortem concerns. The committee was advised by the state building and loan commissioner under whose supervision mutual benefit organizations fall, that information on such organizations has been turned over to district attorneys in the various counties and that the matter rests with them for action. Accordingly, it is considered doubtful whether the committee will go further along this line.

The report criticised official conduct of staff members of the department, members of the staff of the attorney-

general, the civil service commission and officers and directors of International Mutual.

Miss Stone, according to the report, permitted International Mutual to file false reports on its annual statement.

The committee further recommended removal from office of Frank Orrechio, president of International, of Carl Wyers, secretary, and also formation of a complete new board of directors.

"The committee is also of the opinion," the report states, "that the civil service commission did not perform its duties in a diligent manner when it failed to bring charges against Jackson Cochrane in 1937 after the Kelly-Cochrane case.

"Evidence was introduced at that time showing Harry Kelly had for 12 years drawn a salary of \$1,800 per year and did nothing for his duties except open windows and sharpen pencils.

#### Refused to Take Action

"The commission, being cognizant of these facts, permitted Kelly to draw this \$150 a month even after they, the commission, found that conditions in the department were intolerable."

The committee stated that it intends to sit in executive session as a fact finding body to hear complaints. If the complaints justify action, the commissioner and attorney-general will be notified and, if, in their opinion, as well as in the committee's opinion, enough evidence has been produced to justify these companies being examined, this committee will summon witnesses, officers and directors of the companies involved.

"This committee finds the insurance laws of the state are either lax or have not been enforced properly and begs leave to sit as an interim committee so that it may sift all evidence, examine all records and study the insurance code so that it may make an intelligent report both to the governor and to this body.

"The committee honestly believes that a good deal of constructive work can be done to save the citizens of Colorado more than eight million dollars annually, which money is now being paid by the residents of Colorado as premiums to insurance companies and associations, which are illegal or improperly managed, and in which the policyholder has no chance to recover."

The Denver Association of Insurance Agents this week wrote to Carr and Rogers, stating that its membership had a vital interest in selection of the right man for commissioner and offering to be of service in any way possible. No specific recommendations were made.

## Texas Fire Rate Cut Asked by Firemen

(CONTINUED FROM PAGE 5)

penses for fire of \$51,416,778 for a ratio of 46.70 percent.

The hearing was conducted before a full board, with Chairman Woodward in charge. This was his first since his appointment as commissioner and he showed a sincere desire to understand the problems of the fire insurance men and revealed broad understanding of the duties of the fire insurance rating department.

#### Tenant Charge Criticized

The firemen made their first attack on the Texas rates with requests for several reductions in the key rate, notably that the board adopt a mandatory rule that the companies allow an immediate rebate upon outstanding policies when installation of a fire hydrant reduces the hazard. This was opposed by Raymond S. Mauk, secretary of the American General of Houston, on the ground that such a rule would only result in a burdensome additional expense for the companies that would exceed any rebates that would be allowed. Commissioner Woodward suggested that if such a rule should be adopted that it should work two ways and that the companies be allowed to collect additional premium immediately when a haz-

ard is increased, but admitted the virtual impossibility of enforcing any such rule.

The firemen also asked that the charge for tenant occupancy be eliminated, arguing that the hazard was as good or better than owner occupancy. This was refuted by Mr. Mauk and others. They also asked for experience credit on fireproof or semi-fireproof buildings rather than coinsurance credit, but a representative of the Building Owners & Managers Association, representing virtually all of the large office buildings in the state, argued that they were more interested in reduction in the windstorm rates than anything else and indicated that the coinsurance credit method was superior because it encourages larger insurance.

The next attack of the firemen came when they requested that the board extend the 25 percent fire record credit to all towns regardless of premium volume, saying that this would encourage the installation of more fire equipment. Col. William Thompson, counsel for the fire insurance companies, pointed out that the present rule of limiting the fire record credit to towns with a minimum of \$1,500 of premium income, was adopted because of the possibility of a single fire forcing the highest penalty of 15 percent in smaller towns.

#### Wants 10 Percent Reduction

Then came the big attack. Olin Culberson, secretary of the firemen's association, argued that the five-year experience with premiums of \$110,000,000, losses of more than \$38,000,000 and expenses of more than \$51,000,000 indicated an underwriting profit of 18.56 percent. He said that a blanket reduction of 10 percent would still leave an underwriting profit of 9.52 percent for the five-year period.

Colonel Thompson pointed out that the insurance department, in adopting the classification basis had sought to spread the cost of fire insurance equitably among the purchasers in accordance with their hazards, and that they could not cure a situation by a blanket reduc-

tion, especially where the report shows that some classes had loss ratios of 94 percent and others 50 percent or more.

"Application of fire insurance rates is an engineering problem," he said. He pointed out that the firemen and others in making their requests for reductions had wholly ignored the reductions made by the board of insurance commissioners during the last three years. These have been conservatively estimated at \$1,350,000 in 1936, \$1,500,000 in 1937 and more than \$3,000,000 in 1938, or a total of \$6,225,000 for the three years. He argued that the experience reflected only 2½ years of the 1936 reduction, two years of the 1937 and six months of the 1938, and that application of these reductions to the reductions brought the actual loss ratio to approximately 50 percent. He also pointed to the five-point increase in the 1938 fire loss ratio, or a gain of \$1,000,000 in dollars during the year, which was exclusive of the \$600,000 cotton loss in Big Spring, which was not reported until the current year. He also pointed to the long period, prior to the abnormally low losses of the last five years, when the companies for 14 years showed an average underwriting profit of only 2 percent.

#### Railway Preventionists Reorganize

NEW YORK—The Railway Fire Protection Association, which has been operating as an independent body since 1913, has been taken over by the newly created Fire Protection & Insurance Section of the Association of American Railways, as an affiliate of the division of operation. Membership includes representatives of association railway lines that are active in fire protection work and related subjects including insurance.

The function of the F.P.I.S. in so far as insurance is concerned, will be to interpret policy contracts, etc. The primary purpose of the department is to study measures for reducing fire hazards.



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If a property owner asked you to explain how his rate is built and figured today, could you explain it to him? If he has a rate that is much higher than that of his neighbor, can you tell him why that difference is there in terms that are more definite than simply, "Because the hazard is greater."

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An agent who can answer such questions in a definite, clear and concise way, with specific illustrations, will gain the confidence and respect of the property owner. He will not only save business; he will be in a position to get new business.

### Fieldmen and Agents

Fieldmen and agents who are doing the best work now in getting new fire insurance business do so by means of the Surveys. To handle properly the fire coverage in any survey an analysis should be made of the rate in Dean Schedule territory.

In Dean Schedule territory, if the rate is higher than it should be, an agent who is versed in the Schedule can discover such situations and help get the best rate possible for his client or potential client. Such service prevents competition getting a foothold and aids in getting new clients.

A knowledge and understanding of rating methods not only benefits the agent by increasing his income, but also benefits

him and the business in which he is engaged by helping to establish improved relations with policyholders.

Agents and fieldmen for years have used the correspondence course conducted by The National Underwriter Company to secure an understanding of the Dean Schedule. Though not designed to make raters of the persons who take the course, it gives a good working knowledge of the system. It helps analyze a rate make-up understandingly and intelligently.

### The Author

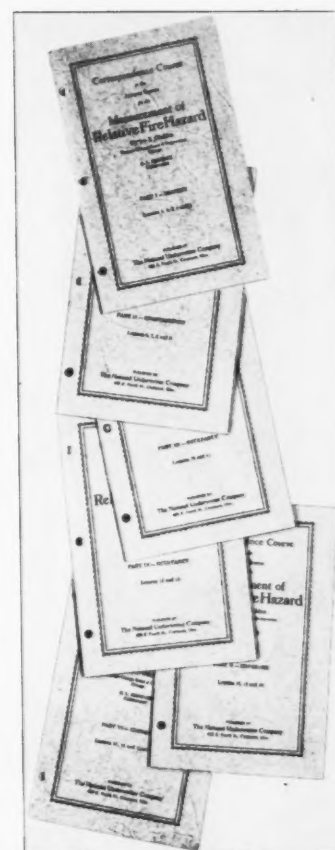
J. S. Glidden, manager of the Chicago Board, is author of the course and B. L. Merrick is collaborator.

### Upon Enrollment

Upon enrollment students receive lessons of the course in booklet form. There are 19 lessons in 6 booklets. Each student also receives a loose-leaf, ring-type durable binder in which all lessons may be kept permanently. Although a copy of the Dean Schedule is not needed to study the course, we recommend that students have access to a Schedule as they proceed with the study.

Examination questions follow each lesson. The student answers these and sends them in for grading and comment by the instructor. Upon completion of the course, if satisfactory grades are secured, a certificate suitable for framing is awarded.

The entire tuition charge for the course is \$20 (payable in monthly amounts of \$5 each).



### PARTIAL OUTLINE OF THE COURSE

Some idea of the scope of the training course may be gained from the following list of topics discussed:

Origin of schedule rating—evolution of fire rating—first steps—local boards—national board—analytic system—development of principal factors of hazard in a modern schedule—structure or construction—three grand divisions of fire hazard—element of risk itself—element of place—element of time—relativity in general—relativity of risk itself—relativity of place—relativity of time—determining factors in establishing individual charges—effect of competition and necessity of measurement—punitive and measuring schedules—measurement and the thing measured—standards of measurement—definition of schedule and rate—public fire protection—water supplies—fire department—application of grading schedule—classification of building and fire divisions—fire retardant classifications—exterior walls—classification of construction—classification of

fire divisions—breaching and stovepipes—rules for B construction—list of light occupancies—basis table for buildings of B construction—charges for wall deficiency—table of buildings of A construction—area table—examples of application—charges for wall deficiency—fireproofing, floor and roof supports, etc.—table of charges for fireproofing, etc.—exterior attachments—importance and classification of occupancy—combustibility, classification and charges—classification of occupancy—analysis and classification of combustibility—character or amount—packing materials—debris, packing or unpacking, etc.—mixed stocks—combustibility—special rules governing exposures—communications—exposure through fire walls—changing established rates—after charges—schedule improvements—coinsurance, etc., etc.

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O., Mich., Ind., Ky., Tenn.,  
Mo., Wisc., Ill., Ia., Minn.,  
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### SATISFACTION IS GUARANTEED

Your satisfaction is fully guaranteed by this promise of The National Underwriter Company. When you enroll in the course and pay the entire tuition charge, if you study it carefully, return the written papers answering the examination questions furnished with each lesson and are not satisfied that the course has been worth the price to you, you may return all lessons and request refund of tuition, within one year from date of enrollment. Every cent paid by you will be refunded promptly.

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Dear Sir:

Enroll me in the Correspondence Course entitled "Correspondence Course in the Analytic System for the Measurement of Relative Fire Hazard" for which I enclose \$5.00 and agree to pay balance in three monthly payments of like amounts.

I am to be furnished the complete series of lessons, a loose-leaf ring binder to hold the lesson booklets and quiz for each lesson. My written answers are to be carefully gone over by you, corrected and returned to me with grade indicated and any comment the instructor may care to make for my guidance.

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In recent months we have been taking stock, finding out what agents and buyers want from an insurance company, trying to improve our service in accordance with that everlasting formula: "find out what they like and give them more of it; find out what they don't like and give them less of it."

We found out a lot of interesting things. Among them is the fact that a competent fieldman

is of utmost importance to good local agents. Not that that was news; it merely reaffirmed our conviction that one of the best things we have to offer is the field staff we've been symbolizing as "Your NF Group Counselor."

Whatever your business problem — and agents' problems cover a lot of territory — *your* NF Group Counselor, the fieldman who serves your community for the companies of The National Fire Group, is equipped and able to help you solve it. That agency-service policy of operating fire and marine insurance companies has always guided us — and we think it will keep us identified with progress in insurance.



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# *The* **NATIONAL UNDERWRITER**

*Automobile  
Insurance  
Number*



**AMERICAN AUTOMOBILE INSURANCE COMPANIES**

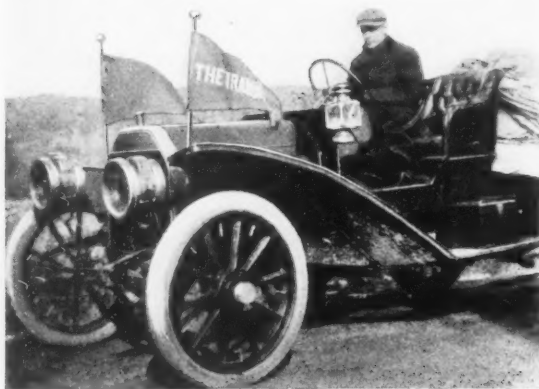
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**MONDAY, APRIL 24, 1939**



# 41 Years ago—



Two Mats and One Moral

## and Today—

The Travelers pioneered in helping producers sell Automobile insurance — a special Travelers car and street banners at road races and hill climbs, booths at automobile shows. And today The Travelers employs today's sales methods to help sell and retain Automobile business for producers.

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A Page of Misnomers



## Do you know

THE TRAVELERS NOW ISSUES  
\$1,000.00 AUTOMOBILE LIABILITY  
POLICIES AT NEW LOW COST?

**Question:** I've been told that the cost of automobile liability insurance is going to be very high in the future. Is this true?

**Answer:** No, it is not. The cost of automobile liability insurance is actually going to be lower in the future than it is today. This is because the Travelers Insurance Company has been able to keep the cost of its policies low by using its own funds to pay claims, instead of relying on outside sources.

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"What have I got to lose?"



Remember When...?

Y... I remember when I was a boy, and I was told that the cost of automobile liability insurance was going to be very high in the future. But now I know that it is not. The cost of automobile liability insurance is actually going to be lower in the future than it is today. This is because the Travelers Insurance Company has been able to keep the cost of its policies low by using its own funds to pay claims, instead of relying on outside sources.

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**EMPLOYERS  
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E. G. TRIMBLE, President  
HOWARD FLAGG, Executive Vice President

# The NATIONAL UNDERWRITER

April 24, 1939

AUTOMOBILE INSURANCE NUMBER

Number 17A

## Spirit of Pioneers Is Needed Today Recall Technique of Early Auto Insurance Salesman

"Fifteen or 20 years ago we frequently had to call on a man two or three times to convince him that he should have auto liability insurance."

That remark was made the other day by a successful local agent in discussing the problem of salesmanship insofar as automobile insurance is concerned. As recently as in the early post war days, he recalled, general acceptance was not found even on the part of motorists in what might be called the solvent class that the protection of liability insurance was a *sine qua non* of driving. The idea had to be sold. The arguments had to be mustered, examples of the hazard presented. There was need of motivation. The task was not one so much of finding prospects, as of closing sales.

### Acceptance Gained; Effort Relaxed

Gradually the salesmanship of the agents plus the multiplication of object lessons did cause most of those with a fair amount of belongings to accept the idea that before filling the tank of the new car with gasoline there must be a liability policy in the desk drawer. As that acceptance of the idea became general probably agents unconsciously relaxed their sales efforts; they shifted the technique from that required in putting over a pioneer line to that employed in retaining what is on the books and in winning a customer from a competitor.

It might be said that there was another phase of pioneering work, that being to cause persons in the solvent class to appreciate the necessity of purchasing higher limits. Some effective work has been done in selling refinements of coverage to those already cognizant of the fundamental hazard, such as the non-ownership or contingent contracts and drive other car endorsements.

### Need Enthusiasm Rekindled

Today, we believe, the great job is to rekindle in the agent the enthusiasm that caused him to do such a splendid job in introducing automobile insurance so that he will greatly extend the area of protection to include those who might have to give up a few movies to make the budget include automobile insurance. An agent 20 years ago was prepared to speak to a man two or three times about automobile insurance. Today, we venture to assert, an agent would regard a prospect as pretty cold

who had to be argued with on two or three occasions on the necessity of buying automobile insurance. Probably because such a good proportion of the motorists today, including practically all of those with property besides the equity in their cars, consider liability insurance as a "must" expenditure, agents have come to feel that the saturation point has been reached. It certainly has been reached insofar as pushover sales are concerned.

Several state officials who have remarked upon the distressing situation caused by the fact that such a large proportion of the motorists are not insured have made the flat assertion that the insurance companies and agents cannot be counted upon to initiate sales to a substantially greater proportion of the population. Many insurance companies seem to have taken a defeatist attitude and there can be no doubt that there is practically no determined and systematic effort on the part of the field force to reach those that are not insured.

### Inertia Is Understandable

It is easy to find fault with the agent for not attacking the problem but it is also easy to understand why he is overcome with inertia at the idea. Many of the uninsured motorists occupy subordinate positions in corporations. They can't be interviewed during the day. Night calls would have to be made. A large number of them would be contentious and unreasonable. Collections would not be easy. The renewal ratio would be less than that in the more solvent class and the premium return would not be large.

Despite the difficulties we are convinced that the right type of sales effort would bring rewards and that the sales effort that would be employed in the task would intensify the effectiveness of the agent.

### Evening Work Is Necessary

Representatives of specialty companies and salaried solicitors of that type of institution do make evening calls, making appointments by telephone. We should say that if the market is to be tapped a good deal of evening work will be involved, especially in the large cities.

The casualty companies have provided the agent with a variety of contracts in recent times that are designed particu-

larly for the type of prospect that we have in mind. There is the \$1,000 automobile policy that has been on the market a year or so. Then just recently the companies came out with the \$500 burglary policy. There are the new hospitalization policies and there is the further consideration that thousands of persons that have an investment in household effects have no fire insurance. An agent remarked the other day that a few years ago he had on his books more than 100 household contents fire policies of teachers and firemen. These have gradually been lapsed until today he has not more than a dozen.

### Large Group Not Reached

There is a large section of the population that is not being reached today by insurance salesmen. It is a group that has need for insurance and in the aggregate its insurance purchasing power is tremendous. Although it numbers a large number of persons who are contentious and who would summon all the objections that it is possible for a prospect to summon, those in this income class are accessible at the right time, which is usually the evening and they can be approached cold canvass.

If the agent were prepared to sell only automobile insurance and were thinking of that alone, it might very well be that a campaign of the type that we have in mind would be futile. But today the agent can go to a man in the lower income class with a multiplicity of contracts especially designed for that man. He might very well use hospitalization insurance as a lead and as the excuse for making the call. It is something new. Everyone is talking about it. It is being publicized. It does have an appeal and particularly to the type of man who must budget closely. It is a good subject with which to break the ice and one to attract the interest of the wife. She is likely to be less interested in the legal implications of automobile liability insurance. Assuming that the agent does sell an hospitalization policy or makes a date to call back, he can very easily say something like this:

"Although just at the moment I am very much interested in hospital insurance and am concentrating on it, I also do a general insurance business. I would like you to have enough confidence in me to let me handle your au-

tomobile liability and your fire insurance some day. My insurance company is now selling an automobile bodily injury liability policy that contains 90 percent of the benefits of a rich man's contract but at a real saving in price.

"By the way when does your present insurance run out? I'd like to look in on you about that time and explain the proposition to you and perhaps by that time there will be some changes in the hospital policy and I can bring you up to date."

If the prospect at that point admits that he has no liability insurance the agent has an excellent opening to give his sales talk. The agent today has at his fingertips all the arguments and sales material that he needs to convince a man with a sense of responsibility that he should buy but we believe that he is not getting the message across to enough people. In their own minds, we think, the agents have blocked off a large area of the population as being unregenerate when it comes to buying liability insurance. They have set up a mental hazard.

### Responsibility Law Motivates Agents

That automobile insurance can be sold to those that do not now have it is proved by the fact that agents have had success in placing new policies when a financial responsibility measure is enacted in a state. An agent in a town of 25,000 in Illinois told us that he had sold four policies by casually mentioning the new financial responsibility act of that state to motorists. He was so encouraged that he mailed company literature and engaged in a systematic campaign with good results. We are inclined to believe that the lesson there is that one who was motivated by the financial responsibility law was the agent rather than the prospect. The passage of that law caused the agent to speak to people about liability insurance. Those people, we think, could have been sold at any time with the proper use of argument and object lessons that are always at hand.

We have said before that the great success that some of the specialty companies have had in the automobile field is to a large extent due to the fact that they employed representatives who actually saw the people and made an effort to close. The agents that some of

(CONTINUED ON PAGE 17)

## FIVE YEAR AUTOMOBILE INSURANCE EXPERIENCE EXHIBIT

	1938					1937					1936					1935					1934				
	Net Prams. \$	% of Total	Inc. or Dec. in Prams. \$	% Gain or Loss	Paid Losses \$	Loss Ratio %	Net Prams. \$	% of Total	Loss Ratio %		Net Prams. \$	% of Total	Loss Ratio %			Net Prams. \$	% of Total	Loss Ratio %			Net Prams. \$	% of Total	Loss Ratio %		
STOCK CASUALTY	254,402,692	42.7	-8,728,258	-3.4	108,540,504	42.6	263,130,950	41.6	42.1		239,983,746	43.4	45.2			224,257,126	49.1	216,557,029	51.4						
FULL COVERAGE	37,881,657	6.4	+1,399,951	+3.8	15,509,851	40.9	36,481,706	5.8	42.1		31,714,966	5.3	40.8			26,399,115	5.7	21,584,438	42.8						
STOCK FIRE	150,862,035	25.2	-36,253,832	-19.4	87,170,347	57.7	187,115,867	29.6	48.8		155,135,588	28.1	36.8			101,925,723	22.2	79,779,481	39.4						
MUTUALS	120,605,503	20.2	+7,873,230	+6.9	48,428,783	40.1	112,732,273	17.7	40.9		100,460,484	18.2	40.			84,650,034	18.5	74,224,242	41.8						
RECIP. LLOYDS	32,420,003	5.5	-1,158,717	-3.4	14,874,963	46	33,578,720	5.3	45.4		27,609,644	5.0	42.			20,353,859	4.5	17,821,921	40.2						
TOTAL	596,171,890	...	-36,867,626	-5.8	274,524,448	46.1	633,039,516	...	44.6		554,904,423	...	41.6			457,585,857	...	409,967,111	...						



# Hazard to Employers Is Wide and Trend Should Be a Warning

By J. F. WOHLGEMUTH

When new laws, or new applications of law, come up for interpretation, the courts wobble around for awhile, before settling down on a straight course. The automobile is filling the courts with legal controversies that are related to each other, but that classify under three headings.

1. First is the ancient principle of respondeat superior, which roughly but very thoroughly translated means "let the employer pay." This doctrine took shape in England about the time of our revolutionary war under Lord Mansfield, lord chief justice of England, who was regarded as the creator of our modern mercantile law. About that time the great commercial development of England and the world was just begun.

## Must Pay For His Men

The doctrine rests on the idea that an employer cannot send his men out into the world on his business, and let them do damage, and take the profit without paying for the damage. This is so well accepted now in all law that many will be surprised to know that there was ever any doubt about it.

2. The second principle made important by the automobile is that described by insurance men as nonownership liability. Agents will still find today employers who will hotly dispute the possibility of their being held liable for accidents caused by an employee in the employee's own car. The employer expects to be held for damages done by a car he furnishes the employee, but in the early days of the automobile the idea became firmly fixed in the public mind that liability followed the car. It took many years' time, and a sensational decision, to wake up employers and insurance companies to the hazard that attaches to the employer from the operation of employees' cars.

## Now Held As Owner

3. The financial responsibility laws, now in force in 31 states, introduced a new element in the liability of employers with the provision that under the financial responsibility law the owner shall be liable if the car is being operated with his consent, regardless of agency or employment. This provision was first inserted in the financial responsibility law to cover that very large class of cases where the injured had no means of knowing or proving the agency of the driver. It came up mainly in family cases. A father is not liable for his child's tort, unless the child is extremely young, and very often a member of his family would cause an injury for which the owner of the car would deny responsibility. While the law was aimed mainly at the family relationship, it has turned up recently with increasing frequency where employees use, outside of business hours, the cars furnished them for their work.

## Widening the Liability

The courts have pretty well settled down to a uniform and logical holding on all three points, although occasionally a single court will go off on a tangent. The principles are all thoroughly established, and form the basis of many automobile suits crowding the courts, but the interpretation of facts seems to be constantly widening the liability of the employer. There has been recent decisions on all three points.

One decision, which seems to widen extremely the principle of respondeat superior, may become a landmark. Formerly it was held, in the days of the old teams insurance, that when a driver departed from the course of his employment to follow his own purposes, the

employer was not liable. Many of the cases were fought out on such questions as whether a teamster, going home for some personal reason after making a delivery, or on his way to a pick up, had departed from the course of his employment. The old law books are full of discussions of how many blocks the teamster would have to go out of his way before it would be regarded as a departure from his employment.

## Pleasure Trip in Line of Duty

The new decision, which opens a wide field for the liability of an employer, went against the company. The case was American Insurance Company, et al. vs. Naylor, in the Colorado supreme court. A vice-president of the company stopped in Denver to visit the branch office. He and the local manager took a day off to visit Rocky Mountain Park. On the trip an accident occurred which

resulted in the suit. The supreme court went into the purpose of the vice-president's stop-over. It found that the object of his tour was to inspect the various offices of the company, get acquainted with the personnel, etc. Therefore, it ruled that the trip to the Rocky Mountain Park was not a mere pleasure trip of the two officials on their own account, but that it was in the course of the general purpose of the vice-president's tour. In other words, the supreme court ruled that this pleasure trip to the Rocky Mountain Park was in the course of duty of both officials, and therefore, the company was liable for the injuries that occurred on the trip.

## Given Business Tinge

A little consideration of this case will show how it widens the liability of an employer, especially of the modern corporation. Formerly it was rare for

employers to be caught except on paid drivers. However, a very large part of the social activity of any corporation official can be given a business tinge, and when the case goes to the jury the chances of the corporation are slim.

The Colorado case affords a powerful motive for complete insurance protection in two directions. The employer should make sure that there are no uninsured openings for liability on any of his employees, wage earners or officers, that a jury can find against him. Also, officials and employees should take care to carry sufficient insurance of their own. Observation of the cases pouring out of the courts reveals a trend that is worth guarding against with insurance. Damage suit lawyers always include an employer, if possible, among the defendants, so as to have ample financial resources available if a judgment is secured. A jury, possibly influenced by the idea that the damages will be paid by an employer, brings in a large verdict. On appeal the upper court may hold that the employer was wrongfully included in the judgment, and dismiss the employer, but leaving the judgment in force against the employee or official.

## Victimized in Two Directions

The result is that the employee is victimized in two directions. First, the jury is more apt to find the facts against a corporation than against an individual. Thus if the employee had defended the case alone, he might have won completely, but the jury, believing a corporation would pay, gave a verdict. Second the verdict is very much larger than probably would have been rendered against an individual, but the appeal court cannot recognize any such theory. In the eyes of the law, the jury has done justice, and there is no help for it. Thus the employee or official is not only compelled to pay damages when otherwise he would not, but the damages are much higher than would have been rendered if he had been sued alone. His remedy is ample insurance.

## Some Wild Extremes Reached

On nonownership, fortunately, the pendulum seems to be swinging backward. Some wild extremes were reached before the courts recognized that they were going too far. The wildest extreme probably was the case of Clarke vs. New Jersey Fidelity & Plate Glass. A young man employed in a law firm in Portland, Ore., went on his vacation. The law firm represented the New Jersey in its claim department. Distances are great in that country and when the young man took his vacation it was with the intention of looking up some witnesses, while he was in the neighborhood. An accident with his own car occurred, not while he was searching for witnesses, but while he was on his way, and the New Jersey Plate Glass was held liable for something like \$50,000. It will be observed that he was not even a direct employee of the New Jersey Fidelity & Plate Glass. Of course, the case was reversed, but it shows how far courts were inclined to go.

Another extreme case which went against the employer was a guest case. A piano salesman took a couple of girls to a night club, and returning about 1 o'clock in the morning there was an accident in which the girls were injured. The salesman took the ground that he was trying to sell them a piano, and they won damages against his employer. In another guest case, in Ohio, an industrial agent took his wife along for

(CONTINUED ON PAGE 25)



The hurricane in New England last fall did widespread damage to automobiles. Here is one among the wreckage on the New London, Conn., waterfront. Such scenes were familiar in many spots in the entire section.—Acme News Pictures.

# Gearing Production to Mass Market

## New Approach with \$1,000 Policy Is Successful

By RALPH E. RICHMAN

During one week 13 agents in one of the larger cities had 189 interviews on the \$1,000 liability policy. Ninety of those interviewed were insured in companies charging less than the standard rates. Eighty-five were uninsured and fourteen were insured at standard rates. Out of the 189 interviews, 28 sales resulted. Seven of the sales were made to the group of 90 who were paying less than standard rates. One sale was made to the group of 14 paying standard rates. Twenty sales were made to the group of 85 uninsured.

An examination of several other agency reports as well as the analysis of business written by companies discloses that the agency record cited above is typical.

### Taps the Uninsured Market

The results emphasize that the policy has proved of most value to agents using it for tapping the uninsured market. About one of every four of the uninsured bought the policy. It is conclusively established that 70 percent to 85 percent of those buying the \$1,000 policy were carrying no insurance at all. It is conservatively estimated that of the 18,000,000 uninsured, 2,000,000 could be added to the insured list within two years by a concentrated attack upon selected prospects among the 18,000,000. Then why isn't it done?

First, because production thinking in the casualty business has never been geared to the mass market. Second, because the agency forces have concentrated upon the one idea of fear of money loss as the incentive for carrying liability insurance and naturally those who have little or no money to lose did not respond. Sale of the \$1,000 policy must be made primarily with an organized sales talk based on the idea of service. The casualty business grew so rapidly feeding only upon the cream market that even today a chief impelling force toward seeking the uninsured market is the desire to forestall public action designed to eliminate the uninsured.

### Realistic Appraisal of Market

Antagonism towards sale of less than the standard limits is not based on a realistic appraisal of the market. Ninety-five to 98 percent of the liability insurance buyers of the \$1,000 contract find all of their needs met by this contract. If the idea of selling people only what agents think they ought to have instead of what they will buy is to be carried out logically, then there is almost no place for \$1,000 of life insurance or a \$15 a week accident policy. In what other field is there any insistence that millions shall be deprived of what they want and will buy because only hundreds of them qualify for the top price purchase in the field? There are some who believe that most of the present agency force cannot break through the mental bonds which now hold them back from seeking sales in the mass market.

Clearly evident in a study of sources of business on the \$1,000 automobile policy is the fact that the business is coming from those who have been taught to use organized sales talks emphasizing the service of the policy. The mention of the fear of loss of property will not move buyers who are logical prospects for the \$1,000 policy. They have no property. Selling to these people requires a higher grade of salesmanship than for those who do have property because the appeal must be based upon something less tangible than the immediate destruction of accumulated earnings.

Last year it was necessary to surmise as to what group would provide the prospects for the \$1,000 policy. Today, evidence is at hand. The surmises of

last year turn out to have been correct, although the response from rural and small towns areas has not been as great proportionately as was expected. High rate areas provide the most fertile field for selling the \$1,000 policy.

Who are the prospects for this policy? Here is a list of the occupations of those by whom 64 percent of the policies were bought in one sampling: clergymen, teachers and professors, other professional men, retired men and women, farmers (not farm employees), artisans or skilled laborers (not factory), policemen and firemen; female office workers; housewives, executive officers, and male office workers.

The average income of policyholders buying the \$1,000 policy is likely to be about \$1,500 and the average net worth, \$2,165. This indicates clearly that the prospect to seek is the uninsured motorist making about \$30 to \$40 a week, if married, and \$20 to \$30 a week if unmarried, plus the added qualification that some serious purpose in life has taken hold and there is present a real desire to meet the responsibilities of life.

B. E. Barrett, Travelers agent in Cleveland, says, "I have found this form very valuable in getting back former policyholders of standard limit policies who dropped these policies during the depression years. My largest volume of sales has been among my own policyholders of other lines, particularly with the customer who formerly carried only comprehensive coverage on his car. My next largest volume of sales of this coverage has been to drivers and other employees of truck fleets where I had the fleet business. I have also used this policy in several instances to cover trucks of small business places, such as retail grocery stores, too many of which ordinarily do not carry liability and property coverage at all."

It is probably easier to get prospects among the uninsured group than of those who are in the insured section. The 13 agents who had the 189 interviews got out of those 189 interviews 101 prospects, 59 already insured and 42 uninsured. An excellent way of seeking prospects is to take the list of occupations cited above and ask any purchaser for the names of any people he knows in those groups, now owning automobiles.

The factory foreman or the office

manager may prove an excellent center of influence for the sale of this policy. One agent sold 16 policies in one afternoon in one factory. Young people's organizations should offer prospects. Any source providing information on entry of doctors or dentists into practice will be useful. A special effort should be made to select in the younger ages those who give promise of earning larger amounts and becoming property owners later.

### Need Convincing Sales Talk

The agents presenting the \$1,000 policy must be prepared to go into much greater detail and make a much more extended and convincing sales talk than is usually necessary to sell automobile liability insurance to those who own substantial amounts of property. A first suggestion is to set up on separate sheets of paper the exact cost of the insurance under the budget premium payment plan for each territory. It is well to have a sheet for each territory so that when showing the sheet, there is no necessity to explain differences in rates between various territories or talk about something which is not an immediate issue in the sale. The sheet might be set up like this for any territory:

Annual Premium .....	\$25.00
Two-Payment Plan:	
March 1, 1939 .....	\$13.00
July 1, 1939 .....	12.50
Four Payment Plan:	
March 1, 1939 .....	8.50
May 1, 1939 .....	7.50
July 1, 1939 .....	5.00
Sept. 1, 1939 .....	5.00
Six-Payment Plan:	
March 1, 1939 .....	6.50
April 1, 1939 .....	4.00
May 1, 1939 .....	4.00
June 1, 1939 .....	4.00
July 1, 1939 .....	4.00
Aug. 1, 1939 .....	4.00

The agent should have typed on a piece of paper or should know well enough to be able to write out, a complete description of the highlights of the policy and be prepared to give a sales talk on each. Here is the summary as it has been presented in the Aetna Casualty school and used in the field with great success:

Protection up to \$1,000 on combined bodily injury and property damage

claims arising from any one accident.

In addition to that limit:

1. The cost of investigation.
2. The cost of defending the insured's interests.
3. The premium on release of attachment bond in an amount not exceeding the policy limit.
4. The premium on appeal bonds, any amount.
5. Court costs taxed against insured.
6. Interest on judgment not exceeding policy limit accruing after date of entry.
7. Expense of medical and surgical aid to others imperative at the time of the accident.

An agent should study carefully each of the seven additional points listed, being able to explain them clearly and to give a persuasive sales talk on the desirability of each one of those seven points. One agent refers to the policy as an investigation and defense policy.

An agent gets full value out of the \$1,000 policy only by recognizing it as something new and different which gives him the opportunity to tell a complete sales story on automobile liability insurance. Where price is uppermost, a direct reference to the installment payment plan, and where applicable, use of the safe driver reward refund can clear the way for going ahead with the sales talk itself. Even where the agent knows the buyer should have higher limits, use the \$1,000 policy price to open the way for a presentation of policy benefits. Agents discover that 90 percent of those who really need the higher limits will buy these higher limits if canvassed on the lower priced policy provided there is full opportunity to develop the full value of the insurance contract in the sales presentation. The lower price contract therefore offers an opportunity also to sell more higher limit contracts.

### Leading to Higher Limits

When the question of higher limits arises, the agent may skillfully point out that the use of the safe driver reward payment plus one additional installment will buy the higher limits. An agent will find it profitable to study his price schedule carefully and know how to quote quickly combinations and payment plans in order to catch the prospect's decision when he is in an affirmative mood. Even when quoting the installment payment plan prices, the agent may translate the cost into weekly amounts. When it has been made clear to a man that providing an automobile liability policy is a method of protecting his self respect and future reputation, he finds it difficult to state that he cannot afford to pay 60 cents a week to do that job.

An agent may also find it desirable to set up a special sheet to use in cases where he is not quite sure whether the canvass should emphasize too much the low limit. Suppose the setup is like this:

SERVICE	SERVICE	SERVICE
\$1,000	\$10,000	\$20,000
\$30	\$42.50	\$50
\$2.50	\$3.00 plus	\$4.00 plus

In this case the agent goes through the sales talk outlining carefully the seven points of service available in all three contracts but explaining that to fit the need of various types of buyers, the recovery limits have been set at \$1,000, \$10,000, and \$20,000 with premiums respectively of \$30.00, \$42.50, and \$50.00, calling for \$2.50 a month, somewhat above \$3.00 a month and somewhat above \$4.00 a month. The agent can set up the three columns with exact figures for his own territory. The figures are of course for the \$1,000 contract, the 5-10 limits, and the 10-20 limits.

(CONTINUED ON PAGE 18)

## Bureau Rate Flash May Bring Immense Upheaval

Rumbling that the National Bureau of Casualty & Surety Underwriters was on the verge of launching a relentless attack in the Auto Insurance field were confirmed last Friday when announcement was made of a combination no claims bonus, business and pleasure use, and mileage rating plan on the part of bureau companies retroactive to March 1. Those cars that are used for pleasure and are driven not more than 7,500 miles per year get a 25 percent rate allowance, plus the 15 percent safe driver credit; cars used for pleasure but driven more than 7,500 miles per year get a 20 percent rate reduction plus the safe driver credit; cars used for business pay par but are entitled to the safe driver credit.

This is the most exciting news in years in auto insurance. It means the bureau has taken the offensive with heavy artillery. It will probably mean an immense upheaval in the business. The non-bureau companies and mutuals

which have been gaining sharply while the bureau companies have been losing ground, now have a major decision to make.

The non-bureau companies have been using a variety of rating plans in automobile insurance but principally the so-called occupational rating or business and pleasure scheme. The initial rate advantage under these plans has been usually 20 or 25 percent as compared with what the bureau has been charging. The dividends of mutual companies is usually 20 or 25 percent.

With the safe driver plan the bureau companies have been coming pretty close to the price quoted by their competitors. Now the bureau companies are quoting a rate that is sharply below even the most competitive rates in the market.

This new plan follows closely the action of the bureau in giving away drive other car and a modified form of non-ownership coverage.



# Safety Service Strong Sales Point

By CHARLES D. SPENCER

Safety engineering service is a strong point in selling prospects and policyholders who operate fleets of commercial motor vehicles. Inasmuch as rates and contract provisions are standardized, the service element provides the agent with a good talking point in soliciting coverage.

Experience rating is applicable to practically every fleet risk that qualifies for engineering service so that the insured can realize a direct insurance premium savings if accidents are minimized. In addition efficient safety service reduces general operating costs of fleets, a factor which is generally more important than the premium savings.

In offering a prospect the service of his company's engineers, the agent is providing the aid of men who are trained in safety work and have gained valuable experience in correcting similar situations for other fleet operators. In approaching the fleet operator it is not advisable for the agent to apply specific cases in showing what can be done through safety work, as the problem of each operator is studied by the engineers before a diagnosis is made. The agent can secure a few pertinent examples from his company's service men and use them in citing the value of the service. For example, the engineers of one company were able to initiate safety methods so that premium on one fleet was reduced from \$125,000 to \$80,000 in the second year. In other cases premiums have been reduced as much as 30 to 40 percent. However, it must be kept in mind that experience rating on losses previously incurred over a period of several years have to be accounted for and that there is a certain time lag of about a year between improvement

in experience and a consequent reduction in premium rates.

Under experience rating if the accident experience of fleets is higher than normal, the loss ratio over a period of two or three years in the light of an unfavorable experience is directly reflected in a charge in addition to the manual rate. On the other hand, if the loss experience is less than the average, credit is allowed.

## Represents Large Investment

In stressing the need for the engineering safety service, the agent should point out that the cost of motor vehicles represents thousands of dollars of investment and that the normal fleet operating cost, such as normal depreciation, maintenance and wages, in addition to the insurance cost, can be maintained at a lower figure under proper safety supervision. If the accident ratio is abnormally high, the wage costs become excessive and there is overtime for repairs, idle vehicles and lost time. The maintenance cost is in direct proportion to the accident experience, depreciation and the cost of the equipment. The fleet operator who has good engineering service available is able to keep his insurance cost as low as possible and save operating expense as well.

## Able to Increase Earnings

By improving the accident experience on vehicles, the operator is able to increase his earnings on capital invested in vehicles and to eliminate abnormal depreciation through accidents and excessive wear caused by reckless driving. Better accident experience also eliminates the necessity of hiring substitutes or using spare vehicles during repair of damaged vehicles. It eliminates the necessity of paying wages of drivers who



Safety education of commercial fleet drivers should be continuous as studies show that if there is any let-up it is reflected in an upward accident trend. The above shows a bulletin board of an operator of an insurance serviced fleet. Accident records of various drivers are indicated and colored stars indicate the driver's status. Appropriate pictures and posters are displayed to stress the desirability of careful driving and the observance of traffic laws. Picture by George Grist, Royal Indemnity.

are made idle because of accidents, eliminates labor charges or expense in handling merchandise damaged because of accidents. The lowering of the loss frequency also eliminates the need for special deliveries, rerouting of goods and eliminates the loss of goods through delay in delivery. In many cases where delivery service is impaired by frequent accidents the result is dissatisfaction caused by delayed orders. All these factors should be stressed by the agent in selling the value of safety engineering service.

In considering the value of fleet safety service in addition to the insurance loss angle, the good will which is created and held by safe drivers is of great value. For example, if an operator's cars are frequently in accidents or are traffic offenders, they naturally create ill will on the part of other drivers. The same operator may be spending large sums in advertising, the value of which is counteracted if the drivers of their trucks and commercial cars are constantly offending other drivers by careless and offensive driving tactics. If an operator's driving force is efficient and courteous, the resultant good will adds considerably to the value of the safety engineering service.

## Creates Prestige For Agent

One strong advantage in offering fleet safety service is the extent and quality of the service which the agent can render through his company. It creates prestige and reputation for the agent. In other words, the agent is not just selling a policy, but he is selling a complete program for reducing the prospect's operating costs. It is important that the agent maintain his interest in the accident prevention work after the case is closed so that he will be closely identified with the service rendered by his company. This naturally creates good will and prestige for him and aids him in holding the business and in writing additional lines.

There is comparatively little self-insurance in automobile fleets so that practically all fleet operators are prospects for coverage. Companies that are self-insurers in compensation generally insure their automobile fleets in regular companies. The compensation situation can be controlled by the self-insurer to

a marked extent, while insurance on automobile fleets involves the general public.

Most companies have a prospectus or outline showing the plan for safe operation of motor vehicle fleets and this is valuable for the agent to show in soliciting risks. He can secure from his engineering department such forms and suggestions as might be available. Several companies, for example, have all forms and records used in fleet operations in a loose leaf book which the engineer who goes out with the agent in making a contact carries with him. Another has numerous photographs of safety meetings, inspections, equipment, etc. It makes it easy to show the fleet operator just the type of service he will get from the company. It is well for the agent to organize such material on his own behalf if the company does not already do this.

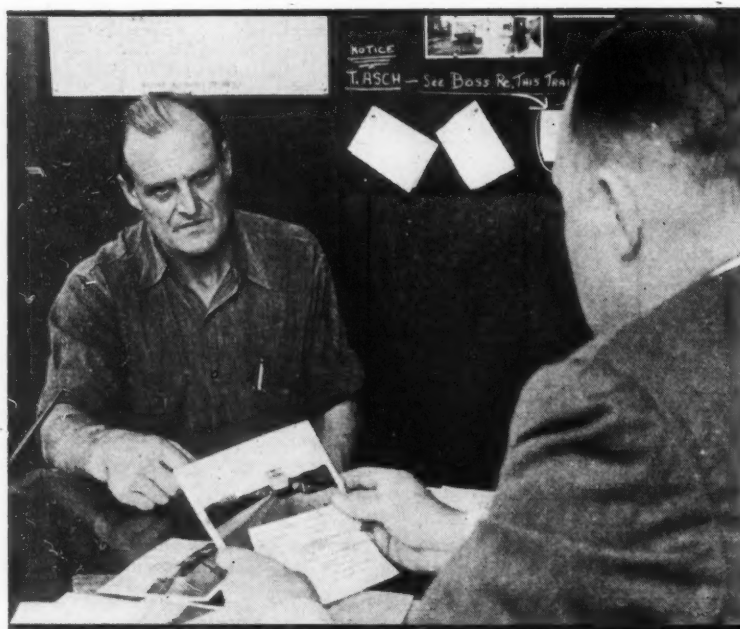
Practically all the companies have charts showing examples of comparative costs before and after safety service was introduced. One company uses the idea of showing on the charts the losses during the first, second, third and fourth years of the introduction of the service. In some cases it takes a little time for the improvement to become marked, but the downward trend is very evident. Another company has a very convincing chart showing the comparative cost of insurance, depreciation, maintenance and overhead before and after the safety service was introduced.

## Makes Complete Study

In providing fleet engineering service, the company makes a complete study of the organization, inspects the vehicles, the territory in which they operate and the safety provisions which are in force. When the conditions which may cause accidents are detected such information is developed as a basis for a safety program. Advice and assistance is offered in determining how the accident prevention work should be handled and carrying out the various measures decided upon.

Before a safety inspection survey is authorized on a new risk, it is usually customary to have the agent submit complete information so that the company is able to determine the probable

(CONTINUED ON PAGE 21)



This driver is being apprehended for bad driving practices reported by a safety engineer who trailed his truck. The expression on his face indicates his concern. Trailing reports aid in correcting bad driving practices as this man and his fellow drivers will undoubtedly be more careful in the future.

Trailing drivers of commercial motor vehicles is one of the important services rendered by safety engineering departments of insurance companies. Good points as well as bad points of the driver are noted in the engineer's reports. Special trailing is done when experience warrants it but safety engineers are constantly on the outlook while on the road for drivers of fleets insured in their company.—Picture by George Grist, Royal Indemnity.



# AMERICAN MOTORISTS

## Reports The Best Year In Its History!

### "Amico" Results for 1938

Assets Increased \$662,859.27  
to \$8,409,092.52

Surplus Increased \$185,385.87  
to \$1,899,952.14

Dividends to policyholders  
amounted to \$988,050.75—  
An increase of \$246,759.51 over  
the previous high payment of  
\$741,391.24 in 1937

Write the Home Office today for the  
annual report showing complete record  
of the company in 1938 and list of  
investments.

#### FINANCIAL STATEMENT

As of December 31, 1938

*All bonds amortized. All stocks at December 31, 1938 market. Voluntary contingency and special reserves are sufficient to adjust all stocks to 1932 lows. Actual market values of all securities exceed the values used in this statement by \$98,991.64.*

#### ASSETS

Cash in banks .....	\$3,935,879.88
U. S. Government bonds .....	2,019,611.34
State, county and municipal bonds .....	605,223.84
Public utility and other bonds .....	461,118.39
Stocks (at market) .....	477,042.00
First mortgage loans on real estate .....	191,196.79
Real estate .....	186,964.60
Premiums in transmission .....	497,477.45
Accrued interest and other assets .....	34,578.23
<b>Total cash assets .....</b>	<b>\$8,409,092.52</b>

#### LIABILITIES

Reserve for losses not yet due .....	\$3,500,006.09
Reserve for unearned premiums .....	1,823,423.00
Reserve for taxes, expenses and dividends .....	918,200.29
Reserve (special) .....	67,511.00
<b>Reserve for contingencies .....</b>	<b>200,000.00</b>
Total liabilities except capital .....	\$6,509,140.38
<b>Capital Stock .....</b>	<b>\$ 750,000.00</b>
<b>Net cash surplus .....</b>	<b>1,149,952.14</b>
<b>Surplus as regards policyholders .....</b>	<b>1,899,952.14</b>
<b>Total .....</b>	<b>\$8,409,092.52</b>

# AMERICAN MOTORISTS INSURANCE COMPANY

Division of Kemper Insurance

Home Office, Chicago, U. S. A.



## REALISTIC WORK WILL BRING RESULTS IN AUTO INSURANCE FIELD

# Don't Wait for Promised Land

By C. T. Hubbard

Assistant Secretary Automobile of  
Hartford

"Brudders of that g-g-great fraternity," as the Kingfish would say—"We has facts to consider."

The composite guess, in conservative quarters, is a gain from 35 to 50 percent in automobile sales during 1939 over the year now "gone with the wind."

The sales of cars and trucks in the United States, and across the Canadian border during 1938, was approximately 2,700,000 units to be compared with about 5,000,000 in 1937, or a decline of about 46 percent. Now a 50 percent increase, the top percentage in 1939 prophecies, would mean about 4,000,000 cars, or about 13 percent less than 1936.

In appraising these figures, we must also take into consideration that the used car stock in the hands of dealers at the end of 1938 was about 25 percent below a year ago, and 15 percent to 20 percent less than at the end of 1936.

### Significance to the Agent

Probably the first quarter of 1939 will see a production of about one million motor cars. Nearly all economists agree that 1939 will be a good automobile year. In December, 1938, the production got as high as 100,000 cars a week.

Now this all possesses significance to the agent selling automobile insurance. While he can always control his results to some extent through the hard or soft licks applied to the opportunities at hand, nevertheless, every agent's fortunes are somewhat guided by the cycles of economics, which influence the total number of automobile sales in the course of a year.

With the used car inventory low, the majority of new buyers, due to the easy finance plan will be those who purchase the new models, the insurance on which is largely placed by the finance companies. This year there will not be such a large graduating class from the installment buyers to the independent paid up car owners, free to place their insurance with the local agent. However, many used cars will be turned in and over to the large market for such disposals, which will offer continued automobile insurance possibilities.

Therefore, the agent who is going to enjoy the best automobile insurance production in 1939, is going to be the one who works, and works hard, not only in soliciting, but in servicing, and above all, in "knowing his stuff."

### Effect of Extended Cover

There should be quite a demand for the "comprehensive cover," due to the large havoc produced by the hurricane and all of the advertising conducted in newspapers, and by circulars, and through the radio, and personal calls relative to the application of the extended coverage endorsement to building policies by insurance agents, should also have a boomerang effect in encouraging the idea of comprehensive insurance among automobile owners.

But the fact is quite obvious, that we are entering into a cycle where the salesman must be a man of considerable technical qualifications, whether he is selling automobile insurance, or motor cars themselves, or batteries, or oil burners, or anything. There was a day when people could be talked into buying things and many still are today, in the way of mass response on lower priced articles sold, for instance, over the radio, but with the introduction of the Consumers Research, for instance, and the Buyers Union, and other organizations which analyze products for the buyer and tell him what he can buy

best for the least money—the salesman, insurance and otherwise, must be a man who knows his stuff.

Mere talk and emphasis is not sufficient, and this is further made evident by the fact that the consumer has less to spend this year. The consumer's income has not been increased very much, and where it has been increased, the amount available for spending has been lessened through the volume of taxes which have to be paid and are very likely to be increased. Furthermore, much of the buying of various products is still on the installment basis, and in fact, one of the basic fundamentals, pointed out by all economists relative to the present so-called recovery, is the existence of easy credit. Money and credit is plentiful.

### Regarded as Necessary Nuisance

Bear in mind that when you are soliciting a consumer for automobile insurance, you are not only in competition with other insurance carriers, and perhaps other agents and brokers, but also with all of the alluring invitations to the consumer to divide his money with the offerings of other salesmen, comfortable offerings ranging from portable sewing machines, to complete air conditioning, to say nothing of cruises, recreation gadgets, homework tools, children's camps, jewelry, and so on and on. The fact of the matter is, the consumer has less to spend and a greater number of places to divide it up.

No consumer will ever become as en-

thusiastic about buying automobile insurance as he will in acquiring a radio. Insurance is a promise, written on paper, and delivered not too attractively, whereas a radio is something the consumer visualizes, hears and enjoys. Insurance always seems a necessary nuisance to the consumer, providing he has no claims. Therefore, the consumer today cannot be "talked into insurance"—he must be persuaded by the most logical and fact finding arguments in existence and the successful automobile insurance producer of 1939 is one who will have marshalled together the very best of facts and statistics relative to the value of insurance—the credit and economic danger of going without protection of the best conception in reliable and public conscious carriers, and, who, in addition to this, thoroughly knows his automobile insurance coverages, backwards and forwards.

In fact, a successful automobile insurance man should possess quite a bit of technical knowledge regarding an automobile, for he is frequently in discussion with those who are enthusiastic about motor cars. I know one agent, for instance, who, after a debate with one of his clients, as to the value of ethyl gas over regular gas, corresponded directly with many of the car manufacturers, consulted the Consumers Research, got in touch with the engineers of several of his insurance companies, and finally prepared a summary of all his findings, which he used to welcome effect with many of his auto-

mobile insurance customers. This research effort on his part impressed his various friends, clients and prospects. They responded with a feeling of confidence towards him. They did not look upon him as another talkative insurance agent, but rather, as an analytical business man who, if capable of finding the answer to the gasoline grade question, could most surely be relied upon to take care of their insurance needs, thoroughly and reliably.

Many of the automobile manufacturers, and sometimes their dealers and sub-dealers, issue interesting house organs that contain valuable technical and general automotive information. Nearly all of the refineries, oil, gasoline and oil distributing companies, put out some very informative house organs and technical magazines that can be obtained for the asking. They provide a world of subjects to use in your conversation with your motor car friends.

The popularity of the insurance survey, or risk analysis, which is resulting in the centralization of insurance responsibilities of a property owner, with one agent and broker on personal as well as commercial accounts, means a loss of much automobile insurance by agents and brokers uninformed and untrained, to those who are capable of making and maintaining a satisfactory insurance survey. This is a definite trend.

### Concentrate on Customers

While nearly all economists agree that 1939 is to be a much better year, the successful insurance producer, whether he specializes in automobile insurance or writes such as part of his general insurance activity, can well heed the advice of an article which appeared in one of the financial magazines recently and demonstrated that as soon as some of our larger sales concerns concentrated on their customers, rather than their competitors, their production immediately expanded. One concern which had been constantly worrying as to what its competitors were doing, entirely forgot such observations and devoted their whole attention to their customers and increased their production thirty percent! So, as a 1939 automobile insurance salesman, forget your competitor, concentrate on your customer.

The fact remains that, at the moment, the production of automobiles, according to the well-known source of Ward's—the buying of steel by the automobile producers and the consumers purchasing reports from various sections, are not too convincing. There are also foreign entanglements which are somewhat depressing, so that no one knows, with any great certainty, what the year will bring forth. These economic movements are beyond your control as an individual insurance producer, and this year would seem to be better to invite our concentration and attention to improving our salesmanship through the best possible technical knowledge of what we have to offer and of the product which we are attempting to insure, plus a realistic knowledge of the education of the consumer by many professional organizations, which means that the real truth of what we have to offer needs our best delivery and consistent demonstration, rather than merely a display of perennial optimism offered in a routine manner.

This year may be a whopper if the basic fundamentals "perk" to produce such results, but if the promised land does not appear, you can still make this a banner automobile insurance year by working harder, more intelligently, more knowingly and more realistically.



A motorist parked his car before going into a restaurant at Flushing, L. I., N. Y., to eat his dinner. Here is how he found it when he returned. Another automobile had struck a nearby fire hydrant, breaking it off at the base. The water gushing from the broken hydrant flooded and undermined the pavement, causing the road to collapse under the weight of the parked car.—Acme News Pictures.

# AMERICAN STATES INSURANCE COMPANY

## *Financial Statement*

AS OF DECEMBER 31, 1938

### ASSETS

Cash .....	\$ 286,597.52
U. S. Gov't Bonds.....	1,021,578.66
Public Utility Bonds.....	320,014.72
Industrial Bonds .....	22,163.13
Railroad Bonds .....	8,015.87
Stocks .....	37,675.00
First Mortgage Loans.....	57,910.00
Home Office Building.....	125,000.00
Accrued Interest .....	10,081.09
Premiums Receivable (Under 90 days).....	351,909.01
Total Admitted Assets.....	\$2,240,945.00

### LIABILITIES

Reserve for Unearned Premiums .....	\$ 918,485.78
Reserve for Claims and Adjustment Expense ....	490,263.75
Accounts Payable .....	1,726.67
Reinsurance Payable .....	4,861.62
Accrued Taxes .....	56,365.90
Accrued Commissions ....	91,098.50
Dividends Declared .....	9,000.00
*Investment Reserve .....	15,561.76
Total Liabilities .....	1,587,363.98
Capital .....	\$300,000.00
Surplus .....	353,581.02
Surplus to Policyholders...	653,581.02
Total .....	\$2,240,945.00

Stocks at market value December 31, 1938. Bonds Amortized

\*Reserve to adjust bonds to market value.

THE RECORDS SHOW THAT

*We not only can but  
do settle our claims*

Building and retaining the good-will of your policyholders depends on the happy combination of the Company's **ABILITY** and **WILLINGNESS** to settle claims. For the years of 1936, 1937 and 1938, our ratio of suits per \$100,000 of earned liability premiums was only 3½%.

## AMERICAN STATES INSURANCE COMPANY

AMERICAN STATES BUILDING . . . INDIANAPOLIS, INDIANA



# Safe Driver Plan Possesses Sales Appeal, But It Must Be Pushed

By ROBERT B. MITCHELL

Some day, when automobile underwriters know the exact degree of importance of each of the myriad reasons why one liability risk is good and another is sour, they will be able to assign each owner a rate which will be fair to him as an individual. Amount of driving, number of drivers in the family, their ages, records, habits—all these factors and more will be taken into account. Quoting a rate will be simply a matter of adding the risk factors applicable in each case.

When that day arrives, the motorist will have cause to feel satisfied (though he probably won't) that he is contributing his exact fair share—that he is not helping pay the freight for the fellow down the street who habitually drives home so pie-eyed that he can't remember just how many accidents he had on the way. Such perfect individual equity will probably never be attained but the safe driver reward plan is the most significant step in this direction.

## Concerted Step Toward Ideal

Except for merit rating—which collapsed because of so much more merit than had been counted on—the safe driver reward plan is the first concerted step toward the ideal of recognizing that each owner represents an individual degree of risk which is only partially measured by the territory in which he lives and the make of car he drives. Aimed at the same goal is the preferred risk rating plan used in New York, which is much more like merit rating but without, it is hoped, the loopholes which ruined the merit plan.

Since it appears to be proof against the wholesale misrepresentations arising under the merit rating plan, the question remains, how well it is doing its job of meeting and beating competition and instilling enough safety consciousness into insured motorists to justify the lower net rates which it grants? To at least the first part of the question the answer seems to be definitely "yes." While it is true that non-bureau stock companies at the close of last year had a considerably greater automobile liability and property damage premium total than the bureau carriers, reversing the previous year's position of the two categories, there were several important automobile companies which left the bureau because they preferred to write business on some other basis than the safe driver plan, thereby tipping the scale heavily toward the non-bureau side.

## Aiding Safety Movement

As to the effectiveness of the safe driver plan in making drivers safety conscious, information is less tangible but here also there seems to be good reason for believing that the system is sound. Because of the unreliability of incomplete statistics it will be the middle of the summer and perhaps Labor Day before the National Bureau of Casualty & Surety Underwriters can give out even an interim report on how many drivers won rewards for safe driving and the effect that the reward incentive has had on keeping down accidents.

The bureau particularly warns against drawing any conclusions from incom-

plete data, such as reports that out of 500 motorists completing a full year on the safe driver basis, 450 won their refunds, indicating a 90 percent ratio of reward-winners. There may be reasons why such groups do not accurately represent the average and it may be that later experience will materially modify such figures one way or the other.

That bureau companies are well pleased with the plan to date may be inferred from their willingness to play up the reward payments in elaborate full page advertising in the "Saturday Evening Post," "Collier's," "Time," "News-Week," and "Life," as well as putting out large broadsides to their agents, offering free reprints of the magazine advertisements and free newspaper matrices or "mats" so that local agents could run advertisements in their local newspapers to tie in with the national advertising. The companies would certainly not be putting out money in this fashion if they were not convinced they were backing a winning proposition.

## Real Impact Later

Early reports are that approximately the expected percentage—88 percent—of drivers are winning the rewards. Company men feel that whatever has been the result up to now, whether in producing and holding business or in stimulating greater safety in driving, the real impact will be felt when the reward money has actually been paid to a large number of insured and they in turn have had a chance to spread the glad tidings.

The reward checks themselves carry the advertising messages to all whose

hands they pass through, as it is stated on the check just what it is for. Incidentally, this resulted in a humorous incident that was carried in many newspapers. A man was arrested for speeding and put up his safe driver reward check as bail.

The reaction of the agents now appears to be much more favorable toward the safe driver plan, which is the more remarkable because the plan started off with two strikes on it as far as many agents were concerned. Bureau companies worked out the plan during months of conferences and then presented it to the agents some seven weeks before it was scheduled to become effective.

## Agents Not Overjoyed

Far from whooping with joy at being given this new weapon, the agents—at least a lot of very influential ones—objected violently to what they felt was a take-it-or-leave-it attitude on the part of the companies. Particularly they objected to the principle of the companies cutting commissions without a conference with the agents. So the safe driver plan got under way in a somewhat blighting atmosphere—the companies feeling that the agents were pretty ungrateful for what was being done for them and the agents feeling that the companies were acting in a high-handed manner which might eventually go to much more important lengths than the trifling amount of commission involved in the safe driver plan.

However, when the companies per-

(CONTINUED ON PAGE 13)



SPECIFY  
HOOPER-HOLMES  
REPORTS

## It's the Driver . . .

It's the DRIVER who is responsible for the great majority of automobile accidents.

It's the DRIVER we report upon for his driving record and accident proneness.

It's even more to the point that we report on the DRIVER-S. (Plural).

THE HOOPER-HOLMES BUREAU, INC.

102 MAIDEN LANE, NEW YORK — 80 BRANCH OFFICES

Fortieth Anniversary Year



## A SIGN OF GOOD INSURANCE

### **AUTOMOBILE**

Bodily Injury, Property Damage, Collision, Fire,  
Theft, Comprehensive Coverage.

### **GENERAL CASUALTY**

Workmen's Compensation, Public Liability, Plate  
Glass, Robbery and Burglary.

### **BONDS**

All Classes of Fidelity and Surety Bonds.

### **FIRE AND ALLIED LINES**

Fire, Windstorm, Sprinkler Leakage, Rents, Use and  
Occupancy, Explosion, Personal Property Floaters.

---

*Operating in Twenty-Five States—Nationwide Claims Service*

Approved By U. S. Treasury Department for Surety Bonds With  
Limits Exceeding \$100,000.00

---

# **The Western Casualty and Surety Company** **The Western Fire Insurance Company**

E. C. GORDON, Secretary-Treasurer

*Executive Office*  
916 Walnut Street  
Kansas City, Mo.

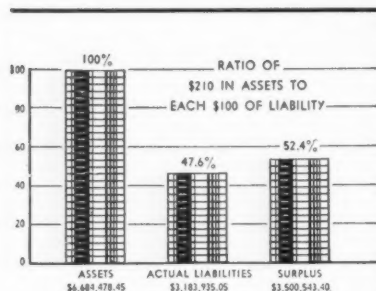


**Home Office**  
**Fort Scott, Kansas**

RAY B. DUBOC, President

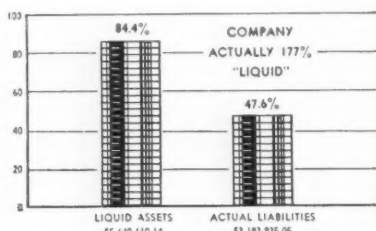
*Central Department*  
A-1924 Insurance Exchange  
Chicago, Ill.





### Graph Shows Strength

Behind your policies you want financial strength—strength that means security for your policyholders. The above graph shows that 52.4% of Millers National's assets is purely surplus, and for each \$100 of liability it has \$210 in assets. These assets, except for cash on deposit in banks, represent high-grade investments, emphasizing security rather than big investment returns. This spells S-E-C-U-R-I-T-Y.



### And Unusual Liquidity

You want your Company to be able to meet the unexpected—catastrophes, if you please.

The above graph reveals that Millers National could liquidate 84.4% of its total assets on short notice. Observe how easily this Company's actual liabilities could be retired out of its liquid assets. It is actually 177% liquid!

Millers National's statement provides real sales ammunition to the alert agent. Would you like to have a copy showing the above facts in detail? Simply send your name and address, and a copy will be mailed.

Established 1865  
**MILLERS NATIONAL**  
 Insurance Company—CHICAGO  
 Service Headquarters for Alert Agents

# Uncompensated Victim Problem

## PONDER COMPULSORY INSURANCE ALTERNATIVES

By JAMES C. O'CONNOR

While the perennial compulsory automobile liability insurance bills have been introduced in many legislatures this year, the attention of most insurance men is now upon other proposals for solving the problem of the uncompensated accident victim. Only time will tell whether we are on the threshold of an entirely new treatment of automobile accidents, but there is at least sufficient evidence to warrant a reasonable consideration of this. Legislators, who in the main reflect only the mental state of their constituents, seem determined that some one shall pay victims of automobile accidents. The sober thought of many casualty executives is that insurance companies must prepare to do this, in whole or in part, or withdraw from one of their most important sources of business.

This winter has seen the problem attacked from two sides. Both actions have been limited and at present can be taken only as evidence of how legislatures and insurance companies are thinking. A few companies have experimented with supplementary automobile coverage, paying limited benefits to injured passengers, regardless of liability, and there is much talk of similar experiments on a wider scale. A number of bills have been issued in state legislatures for some form of automobile accident compensation, or for some differential in registration fees which would encourage the carrying of insurance. None of these bills is regarded as likely to pass, many of them having been introduced late in the sessions, but there is no reason to believe that these bills and many more will not be introduced during the next legislative season.

### More Financial Responsibility Laws

After 12 years, the Massachusetts compulsory insurance law remains the only statute of its kind in the United States and Canada. The status quo appears well frozen as regards compulsory insurance, observers holding that there is no chance to repeal the Massachusetts act in the near future and almost as little chance of any other state enacting one of the compulsory insurance bills which regularly appear.

Four new financial responsibility laws indicate that the law makers have not lost faith in this type of legislation. It may or may not be significant, however, that most of the proposals for other methods of assuring compensation for automobile accident victims have arisen in states which have had financial responsibility laws for some time.

The legislative proposal which has attracted the most interest is that of New York. It has been reported favorably by the joint legislative committee of both houses, which recommended against compulsory insurance either by private companies or by a public fund, and also against a system of compensation for automobile accidents regardless of fault. The New York bill has been endorsed in principle by the brokers' organization, although many faults were found with the law as proposed.

### License Fees for Fund

The New York proposal would impose an additional automobile registration fee of \$5 on applicants who do not furnish evidence of public liability insurance with \$5/10,000 limits. These fees would go into a state fund to be used to reimburse persons injured in accidents involving these cars. Regardless of liability, accident victims would be compensated for medical and hospital expenses up to \$300. The owner of the automobile would be required to reimburse the fund for any such payment, or lose his driver's license and registration plates. This is similar to the pro-

vision in most financial responsibility laws that a motorist who does not pay an automobile accident judgment against him cannot drive or register a car until he pays. Receipt of benefits under this plan would be without prejudice to the victim's right to sue at common law.

### Sets Up Discrimination

One of the most obvious objections to this proposal is that it sets up a discrimination between persons injured by insured cars and by uninsured vehicles. It would seem impossible to justify a system whereby a person injured by an uninsured car, through his own fault, perhaps flagrantly so, could recover his medical expenses, but could recover nothing if the owner of the automobile had gone to more expense and procured insurance. A few cases of this type, properly played up in the press, would put the legislature in an amending mood in short order. Either the plan would have to be extended to include all accident victims, which would nullify the distinction between insured and uninsured license applicants, or the insurance companies would be forced to adopt some system of compensating all victims, which would necessarily increase insurance costs.

A practical objection voiced by the brokers is that the \$5 differential, although it would be denounced by demagogues as a discrimination and a plot to create business for wealthy insurance corporations, would not be large enough to induce the average uninsured motorist to purchase insurance. The lowest bodily injury and property damage liability premium in the state is \$30, six times the amount of the license fee penalty, while in New York City a motorist could save the \$5 only by spending \$80.50. It is difficult to see how any one not already sold on liability insurance, or unable to pay for it, could be induced to insure to avoid a penalty of this size.

Two bills introduced in California would put automobile accidents on a compensation basis similar to industrial accidents. One would authorize the state workmen's compensation fund to write automobile accident compensation insurance in competition with private com-

panies. Another one would create a new state insurance fund, also to compete with private carriers, with either public or private insurance compulsory. This bill would set up a commission to determine rights and liabilities following automobile accidents, with a scale of benefits and with common law suits barred unless the defendant had failed to secure automobile compensation payments. In the event of such failure, he could be sued at common law with a presumption of liability and the defense of contributory negligence abrogated.

Iowa, Michigan and Wisconsin saw bills introduced borrowing one feature of the New York plan—a differential in license fees between insured and uninsured motorists. The Iowa bill would double the license fee for the uninsured, the Michigan bill originally provided for a 5 percent increase, which was later raised to 20 percent, while the Wisconsin bill provided for a reduction of 50 percent if a paid up liability insurance policy were exhibited at the time application was made. The North Carolina legislature killed a bill providing for a 50 cent additional license charge to create a highway accident fund, which would start to pay hospital benefits after the fund reached \$100,000. A bill which died in Washington provided for a compulsory charge of \$2.50 with compensation payments to be made with a maximum of \$750, without prejudice to the injured party's right to sue.

A bill in Pennsylvania would put the state in the automobile liability insurance business. It provided that automobile registration fees should be paid as premiums into a state liability insurance fund. It presumably did not provide for payments except where negligence was involved, nor abolish common law automobile suits. These were to be adjusted annually, depending upon experience, and motorists involved in accidents during the past five years would pay a higher fee. On its face the bill was not monopolistic, but since every person registering an automobile would have to pay the prescribed fees, it is difficult to see where private casualty companies would have any business left.

The purpose of practically all automobile liability insurance legislation is to



High winds blew down this tree in Los Angeles, crushing this car which was in the way.—Acme News Pictures.



A gale in Charleston, S. C., turned this car upside down in a blow which lasted only a minute but devastated large areas in the city.—Acme News Pictures.

make certain that injured parties will be paid by some one. The usual number of miscellaneous bills along these lines were introduced. Several would permit the insurance company to be joined as a defendant with the insured motorist in any automobile accident suit. Others would require that all automobile liability insurance policies be filed with the state and open to public inspection, thus giving any personal injury attorney an excellent idea of what he might be able to collect.

#### Steps by Companies

From the viewpoint of the insurance business, there is every indication that developments, real and potential, are not being ignored, but that much thought is being given to methods of counteracting them. Fundamentally, every one realizes that the various forms of agitation would probably die over night if a reasonable percentage of motorists were insured.

The \$1,000 single limit bodily injury and property damage liability policy was an appeal to the lower income groups who regard liability insurance as an expensive luxury. Every company which has pushed it reports its sale to a goodly number of previously uninsured motorists, although no one believes that it provides a complete answer to the problem. The recent action by the National Bureau of Casualty & Surety Underwriters in adding drive other cars protection and limited private non-ownership liability coverage to private passenger automobile policies without charge, although a competitive step to a great degree, will undoubtedly provide insurance protection in some cases which are now uninsured. Many successful automobile liability sales campaigns have been inaugurated, largely around the theme that if the insurance business cannot sell protection to the public, the state may take it away.

A large block of insurance opinion feels that some form of accident compensation is inevitable and that the insurance business would be better off if it beats the state to the punch. In a limited way, the state of Ohio may be a testing ground for coverage of this type. A number of nonconference companies in this state recently inaugurated supplementary accident protection in connection with automobile liability policies. These contracts, sold only to automobile liability assured of the same company, provide, for an additional premium of usually \$6, medical and hospital reimbursement benefits to any person, including the assured or his family, rid-

ing in or driving the insured automobile. It is too early to forecast underwriting results, but the companies report sale of this coverage to a very high percentage of automobile assured. Most of these contracts have so far been confined to Ohio.

Similar contracts for general use have been under consideration by the National Bureau of Casualty & Surety Underwriters and the American Mutual Alliance. Whether such coverage will be included as an optional feature when the expected revisions of the standard automobile liability policy are made is problematical, but there is no doubt that the matter is being given thorough consideration. Proposals have also been made for some type of voluntary automobile compensation policy, which would pay limited medical and hospital benefits to persons injured by or in the insured automobile, regardless of fault, in consideration of a release from liability. No immediate official action is indicated on this plan, but it illustrates that the automobile insurance business is aware of its problems.

#### Safe Driver Plan Possesses Appeal; Must Be Pushed

(CONTINUED FROM PAGE 10)

sisted in their determination to put the plan into effect, the agents dropped their fight. How much this battle hurt the safe driver plan is difficult to estimate accurately. In general, the opposition to it was proportional to the increase in manual rates called for under the plan. Where there was no increase, there was relatively little opposition.

By the time the new plan began actual payment of cash rewards for claim-free driving, agents appeared to have put behind them all thought of opposition to the plan. The "American Agency Bulletin," official organ of the National Association of Insurance Agents, was one of the periodicals to carry the bureau's recent advertising of the payment of the rewards and the satisfaction of the recipients.

How the agents feel is also well shown by the enthusiastic responses to the campaign of national magazine advertising which the bureau has built around the actual payment of the rewards. There has been an excellent response to the bureau's attractive window display broadsides which included an offer to the agent of up to 200 free reprints of the "Saturday Evening Post" advertise-

(CONTINUED ON PAGE 26)

## ON THE SPOT IN OMAN



... but

### A. I. U. WOULD HAVE SETTLED THE CLAIM QUICKLY, EASILY, FAVORABLY

In Oman or any other strange land, if trouble puts you on a spot, we're on the spot with help! To business men or tourists motoring abroad, A. I. U. insurance coverage is as important to a feeling of complete safety as good brakes!

Our international network of efficient representatives is immediately available to render invaluable assistance in cutting through the tangle of foreign language, local red tape, legal complications. A. I. U. insurance means strength, stability, and quick settlement of claims, a contract in English, payable in New York funds if desired.

To your client, it means safety and peace of mind. To you, it means an easy way to render completely satisfactory service—and a profitable source of additional business.

Brokers and agents are invited to write for full information, including list of foreign countries in which automobile insurance is compulsory.



Except U. S. A. and Canada

## AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION

111 JOHN STREET Bkman 3-7730 NEW YORK

FIRE LIFE CASUALTY INLAND MARINE AUTOMOBILE



# Stock Casualty Premiums off 3.4%

Minus signs predominate in the ranks of stock casualty companies when premiums for 1937 are measured against those for last year. However, the total decline in net premiums written was but 3.4 percent. The premiums in 1937 amounted to \$263,130,950 and in 1938, \$254,402,692. The loss ratio on a written and paid basis, was just about the same as in the previous year. In 1938 it was 42.6 percent and the previous year 42.1.

Not all of the non-bureau stock casualty companies showed gains and not all of the bureau companies returned a loss in premiums, but by and large the

plus signs are more frequent in the columns for non-bureau companies than for bureau.

Of the bureau group, Aetna Casualty showed a gain, but this was offset by the greater loss of Aetna Life which is switching its automobile and compensation business to Aetna Casualty. American Surety, a bureau company, made a slight gain and its running mate, New York Casualty, turned up with an increase of \$934. Bankers Indemnity, also a bureau company, made a gain of \$134,000. Century Indemnity was able to record a small plus figure. Travelers In-

demnity had a plus sign, but Travelers Insurance Company went off an even greater amount, so that the results for the two companies show a minus. Eagle Indemnity, a bureau company, showed a good gain, but its associates, Royal Indemnity and Globe Indemnity, had a drop in premiums.

Among the biggest plus signs of non-bureau companies are those for American Auto, Allstate, Accident & Casualty, American Casualty, American Fidelity & Casualty, Central Surety, Commercial Casualty, General Casualty of Seattle, Metropolitan Casualty, Penn-

sylvania Casualty, St. Paul Mercury Indemnity.

Travelers held first place and if the premiums of Travelers Indemnity are consolidated with those of the parent company, the organization is far ahead. American Auto went from third place to second on its premiums of \$13,858,127, a gain of 4.5 percent. Hartford Accident stands third with premiums of \$13,451,528, a loss of just about 1 percent. Aetna Casualty moved up to No. 4 position with premiums of \$11,954,150, a gain of 3.6 percent. Even though the

(CONTINUED ON NEXT PAGE)

## Automobile Premiums and Losses of Stock Casualty Companies

	1938				1937				1936			
	Total Net Premiums.	Paid Losses	Loss Ratio	Inc. or Dec. in Premiums.	Total Net Premiums.	Paid Losses	Loss Ratio	Inc. or Dec. in Premiums.	Total Net Premiums.	Paid Losses	Loss Ratio	Inc. or Dec. in Premiums.
Accident & Cas.	516,866	71,810	13.8	+373,261	398,051	45,460	11.6	+54,604	25,717	2,761	6.33	+143,605
Aetna Cas.	11,954,150	4,195,450	35.0	+420,783	9,120,533	3,116,065	34.0	+2,778,551	1,054,771	54,066	24,614	+11,533,367
Aetna Life	1,085,937	830,415	76.4	-1,582,009	1,085,937	830,415	76.4	-1,582,009	2,607,946	1,243,424	47.6	+26,885
Allstate	2,471,316	797,724	32.2	+303,957	1,912,013	602,129	31.5	+558,403	2,167,359	600,724	27.7	+710,500
Amer. Auto	13,858,127	5,415,147	39.0	+602,846	10,590,942	4,108,241	38.8	+3,246,140	12,956,158	21,045	10.78	+1,999,653
Amer. Cas.	2,408,315	911,229	37.8	+587,517	1,721,362	625,975	36.3	+667,666	277,434	10,287	3.72	+619,686
Amer. Employ.	2,457,573	1,289,888	52.4	+45,361	1,869,370	1,084,856	58.1	+189,506	32,449	15,526	47.8	+34,217
Amer. Fidelity	285,993	142,738	49.9	+24,444	190,048	100,658	52.9	+87,221	38,024	8,724	22.9	+40,010
Amer. Fid. & Cas., Va.	3,393,007	1,855,288	54.6	+383,888	2,761,531	1,449,732	52.5	+630,509	405,541	967	15	+348,939
Amer. Motorists	4,823,831	2,020,006	41.8	+129,447	3,708,140	1,622,341	43.8	+1,044,660	374,778	71,031	18.9	+446,130
Amer. Policyholders	1,042,930	545,288	52.2	+37,237	659,203	339,656	51.5	+377,679	143,953	6,048	4.2	+90,951
Amer. Reins.	951,939	366,345	38.4	+94,978	893,207	340,905	38.2	+25,440	373	373	100.0	+1,468
Amer. Surety	1,326,585	499,978	37.6	+15,512	1,011,395	389,970	38.6	+306,127	106,375	9,061	8.5	+75,625
Arex Indem.	21,271	25	0.1	+16,082	21,271	25	0.1	+16,082	5,180	5,180	100.0	+1,800
Assoc. Indem.	806,849	429,077	53.1	+22,137	525,553	286,801	54.6	+183,427	89,986	90,978	101.1	+68,741
Atlantic, Tex.	292,818	177,680	60.6	+172,543	295,517	140,741	47.6	+2,808	34,927	109	0.3	+265,974
Atlantic Cas., N.	138,044	11,696	8.4	+102,160	104,103	6,508	6.2	+39,940	5,187	10,552	203.5	+35,884
Bankers Indem.	1,805,258	650,496	36.0	+134,620	1,399,749	497,985	35.6	+304,957	145,989	6,522	4.5	+1,670,638
Canadian Indem.	2,202,422	912,996	41.4	+498,245	1,684,389	735,262	43.7	+500,755	171,867	17,278	10.1	+1,704,177
Car. & General	2,433,497	1,065,513	43.7	+72,553	1,927,876	870,334	45.1	+490,104	186,582	15,517	8.3	+2,360,944
Century Indem.	3,155,128	1,402,103	44.4	+6,280	2,562,554	1,107,295	43.2	+682,433	284,308	17,171	6.1	+3,148,848
Citizens Cas.	759,460	324,542	42.7	+28,502	690,887	304,628	44.1	+68,573	18,859	787,962	42.3	+472,364
Columbia Cas.	537,969	200,152	37.2	+19,859	400,930	151,518	37.8	+123,123	46,682	1,952	4.2	+557,828
Commercial Cas.	2,812,087	1,067,934	37.9	+457,606	2,335,353	891,896	38.2	+460,180	167,808	16,554	9.9	+2,354,481
Conn. Indem.	579,618	202,120	34.8	+44,159	442,865	152,647	34.5	+136,753	49,473	535,459	112.5	+144,440
Continental Cas.	5,686,446	2,164,197	38.0	+156,368	4,374,150	1,672,652	38.2	+1,270,126	475,937	42,168	8.9	+5,530,078
Eagle Indem.	1,575,436	655,205	41.5	+116,889	1,236,454	524,255	42.4	+324,890	122,271	14,092	11.4	+5,530,078
Employers Liab.	9,016,801	4,609,476	51.1	+352,879	6,935,024	3,728,339	53.8	+1,956,270	732,000	125,507	17.1	+9,369,680
Employers Reins.	4,434,338	1,919,244	43.2	+171,875	4,068,794	1,716,348	42.2	+347,531	193,960	18,013	8.8	+6,147,213
Eureka Cas.	180,743	143,517	79.4	+152,878	131,009	107,667	82.1	+48,348	35,988	1,386	3.8	+333,621
Euro. Gen. Reins.	5,104,155	1,437,596	28.1	+408,991	4,937,814	1,404,833	28.5	+158,786	31,939	7,554	23.6	+4,695,164
Excess, N. Y.	448,603	399,073	88.9	+271,745	435,755	383,791	88.1	+12,848	16,282	720,348	44.3	+635,667
Fidelity & Cas.	7,712,517	3,352,529	43.4	+283,706	5,928,018	2,642,600	44.6	+1,609,001	646,928	115,408	17.8	+7,996,223
Fireman's Fund Ind.	2,084,930	802,885	38.5	+171,441	1,638,653	616,144	37.7	+416,619	177,271	28,758	16.2	+2,325,471
First Reins.	268,159	120,199	44.8	+134,126	178,296	82,574	46.3	+95,726	37,625	402,285	106.7	+144,440
General Accident	11,717,957	4,383,900	37.4	+721,252	9,193,056	3,336,874	36.3	+2,310,385	951,395	214,516	22.6	+12,439,209
General Cas., Wash.	2,287,553	750,453	32.8	+334,834	1,724,707	638,225	36.9	+560,220	204,010	350	0.2	+1,952,719
General Reins.	2,085,705	831,937	39.9	+260,504	2,004,038	799,407	39.9	+70,496	32,580	2,261	6.8	+2,346,299
Genl. Tran. Cas., N. Y.	22,819	355	1.5	+21,983	135	836	618.9	+220	220	220	100.0	+2,346,299
Glens Falls Indem.	2,589,256	1,138,556	43.9	+227,893	1,981,396	881,120	44.5	+559,959	226,609	47,901	21.2	+2,817,149
Globe Indem.	6,875,775	2,838,904	41.2	+346,151	5,290,914	2,173,706	41.1	+1,458,091	600,428	126,171	21.0	+7,221,936
Great Amer. Indem.	4,099,863	1,756,497	42.8	+120,585	3,100,594	1,358,755	43.8	+334,850	33,450	53,217	159.4	+4,190,448
Great Lakes Cas.	669,807	315,585	47.1	+14,793	354,723	180,228	51.1	+268,909	101,369	46,175	45.5	+301,199
Hartford Accd.	13,451,528	5,676,193	42.1	+138,215	10,252,175	4,440,065	43.3	+2,890,706	1,085,989	308,647	28.4	+13,589,743
Home Indem.	2,306,830	974,220	42.2	+187,380	1,792,888	776,921	43.3	+506,980	195,414	6,982	3.5	+2,119,470
Houston Fire & Cas.	4,454,575	1,641,561	36.8	+246,779	3,408,592	1,261,077	36.7	+1,014,402	367,704	36,891	10.0	+4,701,654
Indem. No. Amer.	96,614	28,150	29.1	+83,031	68,745	21,558	31.3	+27,341	6,396	528	8.2	+15,583
Insurers Ind., Okla.	1,866,725	775,195	41.5	+38,206	1,316,348	540,737	41.1	+434,333	190,608	116,044	60.8	+1,904,931
Keynote Auto Club	1,683,231	935,331	55.6	+285,240	1,311,444	773,885	59.0	+353,710	153,033	18,077	11.8	+1,053,324
Lon. & Lanc. Indem.	2,316,790	1,146,767	49.4	+372,764	1,768,940	926,499	52.4	+629,036	209,384	18,820	9.0	+2,689,500
Maine Cas.	151,728	60,855	40.1	+17,536	94,119	39,354	41.8	+34,346	19,337	4,263	21.9	+134,192
Mfrs. Cas., Pa.	2,526,887	961,539	38.0	+82,187	1,892,510	692,927	36.6	+566,965	236,851	67,412	28.5	+2,609,074
Maryland Cas.	8,018,462	4,170,613	52.0	+615,666	6,139,912	3,352,569	54.6	+1,809,730	775,915	68,820	8.9	+8,634,128
Mass. Bonding	5,351,259	2,444,969	45.8	+78,423	4,168,117	2,362,176	56.7	+1,170,731	475,856	12,411	2.6	+5,429,682
Merch. Indem.	760,655	246,236	32.3	+51,049	760,655	246,236	32.3	+51,049	760,655	760,655	100.0	+206,488
Metropolitan Cas.	3,318,310	1,379,601	41.5	+322,984	2,768,574	1,151,936	41.6	+528,481	214,525	21,255	9.9	+2,995,336
National Cas.	457,198	134,458	29.4	+41,262	371,990	95,773	25.7	+106,126	37,687	3,082	8.0	+451,936
New Amsterdam	4,184,461	1,965,793	46.9	+324,731	3,230,550	1,562,010	48.3	+916,952	381,189	36,959	9.7	+4,509,192
New Century Cas.	166,375	66,611	40.0	+31,401	123,576	45,289	36.7	+40,061	19,703	2,738	13.9	+134,974
New Jersey Mfrs. Cas.	534,641	259,072	48.4	+20,554	534,641	259,072	48.4	+20,554	534,641	534,641	100.0	+555,195
New York Cas.	913,506	420,597	46.0	+934	698,656	326,404	46.7	+208,413	80,830	6,437	8.0	+912,572
Northwest Natl. Cas.	780,585	384,842	49.3	+51,481	541,078	288,981	53.4	+217,792	88,272	21,715	24.5	+832,066
Norwich Union	127,880	120,873	94.5	+9,139	95,680	101,058	105.6	+28,162	17,305	4,038	23.0	+118,741
Occidental Indem.	535,337	229,125	42.8	+123,028	521,388	220,717	42.4	+13,949	8,408	25,516	303.5	+658,365
Ocean Accd.	2,831,853	1,117,888	39.4	+315,403	2,172,334	864,174	39.8	+634,003	244,507	9,207	3.8	+3,147,256
Ohio Farm Indem.	723,850	249,045	34.4	+31,741	518,941	162,151	31.2	+204,909	86,894	118	0.1	+692,100
Peerless Cas.	147,168	34,083	23.1	+22,226	140,461	31,306	22.3	+6,404	2,659	303	11.2	+124,942
Penna. Cas.	1,306,755	362,127	27.7	+597,107	922,169	223,517	24.3	+375,292	132,928	9,294	5.82	+709,648
Penna. Indem.	1,614,579	566,723	35.1	+190,655	1,180,262	395,902	33.5	+425,317	171,046	225	0.1	+1,805,234
Penna. Mfrs. As. Cas.	1,250,672	415,796	33.2	+71,109	830,054	262,829	31.7	+308,543	110,783	112,075	101.2	+1,321,781
Phoenix Indem.	1,367,179	625,317	45.7	+117,418	1,040,283	499,431	48.0	+318,097	131,050	8,799	6.7	+1,484,597
Preferred Accd.	2,913,136	1,369,924	47.0	+276,899	2,243,207	1,132,097	50.5	+620,743	222,504	49,186	22.1	

## Suits Arising from Auto P. L. Policies Are Analyzed

The tabulation presented herewith gives the records of companies operating in Illinois in relation to litigation under their automobile bodily injury liability policies. In the first column appears the automobile liability premiums earned for each company in the three years 1936-38. In the second column is entered the number of suits outstanding as at Dec. 31, 1938, arising out of policies for which the premium was earned in the 1936-38 period. In the final column is the number of such suits pending per \$100,000 of earned premium.

	Col. 1	Col. 2	Col. 3
Acc. & Cas. ....	\$ 301,319	40	13.2
Aetna Cas. ....	21,247,199	1,081	5.09
Aetna Life ....	6,099,841	291	4.77
Allstate ....	3,836,613	224	5.83
Amer. Auto ....	24,074,627	1,448	6.01
Amer. Cas. ....	3,235,291	396	12.2
Amer. Empl. ....	4,897,491	493	10.0
Amer. Fid. & Cas. ....	7,106,657	327	4.60
Amer. Motorists ....	9,765,429	1,057	10.8
Amer. Mut. Liab. ....	8,039,985	945	11.7
Amer. Re. ....	2,528,288	58	2.29
Amer. Stat. ....	2,475,610	18	3.55
Amer. Surety ....	2,457,618	98	6.15
Arex Indem. ....	13,735	...	...
Assoc. Indem. ....	1,883,472	112	5.94
Atlantic, Tex. ....	772,619	63	8.16
Bankers Ind. ....	3,215,099	339	10.5
Car & General. ....	3,655,281	591	16.1
Central Surety ....	4,555,766	271	5.94
Century Indem. ....	6,270,617	886	14.1
Chicago Ice Pro. ....	61,694	10	16.3
Chicago Motor Club. ....	2,819,467	285	9.76
Citizens Cas. ....	432,673	99	15.4
Columbia Cas. ....	1,022,007	79	7.72
Com. Cas. ....	5,096,478	568	11.1
Com. Stan. ....	2,908,188	261	8.97
Conn. Indem. ....	961,708	38	3.95
Cont. Cas. ....	10,793,928	925	8.57
Ck. Co. Farm. Mut. ....	32,749	6	18.3
Eagle Indem. ....	2,730,754	292	10.6
Economy Auto ....	453,462	42	9.27
Empire Mut. ....	124,176	15	12.0
Employers Liab. ....	19,827,090	1,797	9.06
Employ. Mut. Cas. ....	2,347,296	105	4.47
Employ. Mut. Liab. ....	2,649,237	150	5.66
Employ. Re. ....	11,691,280	323	2.76
Equity Mut. ....	374,661	32	8.55
Excess ....	2,011,880	350	17.4
Factory Mut. ....	6,462,590	674	10.4
Farmers Auto, Ill. ....	306,452	12	3.92
Fid. & Cas. ....	14,914,898	1,441	9.66
Fireman's Fund ....	4,232,948	420	9.92
First Re. ....	541,285	...	...
Freeport Motor ....	900,989	52	5.77
Gen. Acc. ....	23,408,739	1,959	8.36
Gen. Cas., Seattle. ....	3,688,465	160	4.33
Gen. Indem. ....	109,791	4	3.66
Gen. Re. ....	5,123,931	...	...
Gen. Transp. ....	2,198	...	...
Glens Falls ....	5,372,149	421	7.83
Globe Indem. ....	13,807,413	1,326	9.6
Great Am. Ind. ....	8,080,193	680	8.41
Great Lakes Cas. ....	839,706	122	14.5
Hard. Mut. Cas. ....	12,079,239	493	4.08
Hartford Acc. ....	25,338,117	2,519	9.94
Hawkeye Cas. ....	613,936	15	2.44
Highway Mut. Cas. ....	1,327	2	15.0
Home Indem. ....	4,121,527	520	12.6
Hoosier Cas. ....	908,974	76	8.37
Ill. Agr. Mut. ....	1,070,011	106	9.9
Ill. Cas. ....	491,601	36	7.33
Ill. Nat'l Cas. ....	634,741	28	4.41
Ind. No. Amer. ....	8,986,319	856	9.52
Missouri Auto Club. ....	1,008,943	41	4.06
Iowa Mut. Liab. ....	1,156,055	106	9.16
Lake Shore Mut. ....	1,247,618	172	13.7
Liberty Mut. ....	23,145,945	2,969	12.8
London & Lanc. ....	3,745,883	485	12.9
London Guar. ....	5,034,398	432	8.58
Lumb. Mut. Cas. ....	31,600,211	3,254	10.2
Madison Co. Mut. ....	100,562	15	15.0
Manhat. Mu. Au. Cas. ....	2,434,430	326	13.3
Manufac. Cas. ....	4,756,309	570	11.9
Maryland Cas. ....	16,118,735	1,678	10.4
Mass. Bond. ....	11,346,524	1,451	12.7
Merchants Ind. ....	1,790,168	173	9.66
Metropolitan Cas. ....	6,169,287	736	11.9
Mid-West Au. Undt. ....	179,573	16	8.9
Mich. Mut. Liab. ....	2,362,906	123	5.20
Motor Veh. Cas. ....	1,036,246	61	5.8
Natl. Cas. ....	727,061	63	8.66
Natl. Grange Mut. ....	2,409,252	432	17.8
New Amsterdam ....	8,822,721	1,165	13.2
New Cent. Cas. ....	216,135	20	9.25
New York Cas. ....	1,722,594	146	8.47
Northw. Nat'l Cas. ....	1,365,544	78	5.71
Norwich Union ....	289,437	18	6.22
Ocean Acc. ....	5,753,579	503	8.74
Ohio Cas. ....	6,509,275	181	2.78
Peerless Cas. ....	336,757	66	19.6
Phoenix Indem. ....	2,792,019	213	7.62
Prairie State Farm. ....	22,922	2	9.09
Preferred Acc. ....	6,238,974	969	15.5
Protective Indem. ....	533,201	51	9.56
Royal Indem. ....	10,959,813	1,098	10.0
St. Paul-Mercury ....	4,211,083	268	6.36
Savings Mu. Cas., Ill. ....	170,622	16	9.41
Security Mut. Cas. ....	1,252,925	46	3.67
Shelby Mut. ....	1,286,303	61	4.74
Standard Acc. ....	8,607,077	816	9.48
Standard Mut. Cas. ....	147,322	11	7.48
Stand. Sur. & Cas. ....	3,107,754	282	9.07
State Farm Mut. ....	15,354,811	654	4.25
Suburb. Auto ....	354,700	12	3.38
Sun Indem. ....	3,128,886	375	11.9
Travelers Indem. ....	1,064,025	100	9.39
Travelers ....	44,256,421	5,014	11.3
Trinity Universal ....	2,949,880	260	8.81

	Col. 1	Col. 2	Col. 3
Union Auto Indem. ....	391,854	35	8.95
Union, Ind. ....	668,793	43	6.43
U. S. Cas. ....	3,458,331	369	10.6
U. S. F. & G. ....	17,275,016	1,139	6.59
U. S. Guar. ....	4,704,901	359	7.63
U. S. Mut., Ill. ....	400,300	76	19.0
Universal Indem. ....	554,392	137	24.7
Utica Mutual ....	5,871,819	782	13.3
Utilities ....	1,094,872	81	7.40
Western Cas. & Sur. ....	3,684,838	244	6.62
Western St. Mut., Ill. ....	132,434	6	4.54
Wolverine ....	1,525,358	99	6.49
Yellow Cab Mut. ....	1,193,828	109	9.13
Yorkshire ....	658,375	69	10.4
Zurich ....	11,076,137	946	8.54

†Covers only 1937 and 1938.  
\*Adjusted by eliminating territory I (N. Y. C.) for policy years 1935-36-37-38.  
\*\*Covers only 1938.

### Premiums of Stock Casualty Companies Off 3.4

(CONTD FROM PRECEDING PAGE)

automobile premiums of both Aetna Casualty and Aetna Life were consolidated, the group would still be in fourth position.

General Accident stands No. 5 with

### TEN STOCK CASUALTY AUTO LEADERS

	1938 Net Prems.	1938 Paid Losses	1937 Net Prems.	Inc. or Dec. in Prem.	% Inc.
1. Travelers ....	\$15,995,996	\$7,428,675	\$17,820,069	-\$1,824,073	-10.2
Travelers Indem. ....	6,167,933	2,314,748	5,778,122	+389,811	+6.7
2. American Auto. ....	13,958,127	5,415,147	13,255,281	+602,846	+4.5
3. Hartford Acci. ....	13,451,528	5,676,193	13,589,743	-138,215	-1.0
4. Aetna Cas. ....	11,954,150	4,195,450	11,533,367	+420,783	+3.6
Aetna Life ....	1,085,937	830,415	2,667,946	-1,582,009	-59.2
5. General Acci. ....	11,717,957	4,383,900	12,439,209	-721,252	-5.7
6. Employers Liab. ....	9,016,801	4,609,476	9,369,680	-352,879	-3.7
Amer. Empl. ....	2,457,573	1,289,888	2,412,212	+45,361	+1.8
7. U. S. F. & G. ....	8,978,368	3,956,750	9,261,237	-282,869	-3.0
8. Maryland Cas. ....	8,018,462	4,170,613	8,634,128	-615,666	-7.1
9. Fid. & Cas. ....	7,712,517	3,352,529	7,996,223	-283,706	-3.5
10. Globe Indem. ....	6,875,775	2,838,904	7,221,936	-346,161	-4.7
Royal Indem. ....	5,486,514	2,537,774	5,969,817	-483,303	-8.0
Eagle Indem. ....	1,575,436	655,205	1,458,547	+116,889	+8.0

premiums of \$11,717,957, a drop of 5.7 percent.

Employers Liability ranks No. 6, with premiums of \$9,016,801. Its standing would not be affected if the automobile premiums of its associate company, American Employers, were combined. U. S. F. & G. retains seventh position with premiums of \$8,978,368, a loss of 3 percent. Maryland Casualty continues

in eighth rank with premiums of \$8,018,462, a loss of 7.1 percent. Fidelity & Casualty remains in ninth position with a loss in premiums of 3.5 percent. Globe Indemnity is still in 10th position. The combined premiums of Globe Indemnity, Royal and Eagle Indemnity in 1938 were \$13,937,725. If the ranking were based upon casualty group figures, this combination of companies would stand in second place.

## GENERAL ACCIDENT

### UNITED STATES BRANCH

Financial Statement, December 31, 1938

### ADMITTED ASSETS

*United States Government Bonds .....	\$12,201,850.00
*Federal Land Bank Bonds .....	184,935.00
*State, County and Municipal Bonds .....	2,072,193.00
*All other Bonds and Stocks .....	14,700,607.00
First Mortgages and Collateral Loan .....	140,024.18
Real Estate .....	813,057.58
Cash on Hand and in Banks .....	2,797,884.38
Uncollected Premiums not over ninety days and Sundry Balances .....	3,527,377.79
Accrued Interest .....	190,682.17
	<b>\$36,628,611.10</b>

### LIABILITIES

Unearned Premiums .....	\$ 8,725,768.56
Reserve for Losses .....	11,688,229.00
Reserve for Taxes and all other Liabilities .....	1,780,318.86
General Contingency Reserve .....	1,500,000.00
Additional Voluntary Reserve .....	1,118,416.00
Deposit Capital .....	\$ 550,000.00
Surplus Over Deposit Capital and all Liabilities .....	11,265,878.68
Surplus to Policyholders .....	<b>11,815,878.68</b>
	<b>\$36,628,611.10</b>

\*Valuation of National Association of Insurance Commissioners' Basis. On the Basis of December 31, 1938, Market Quotations for all Bonds and Stocks owned, this Corporation's total Admitted Assets would be increased to \$37,114,092.10 and Surplus to Policyholders to \$12,301,359.68. Securities carried at \$1,061,307.00 in the above statement are deposited for purposes required by law.



## GENERAL ACCIDENT FIRE AND LIFE Assurance Corporation, Ltd.

JOHN H. GRADY, United States Attorney  
JAMES F. MITCHELL, United States Manager

General Building, Fourth and Walnut Streets, PHILADELPHIA







# NATIONAL UNION

FIRE INSURANCE  
COMPANY

PITTSBURGH  
PA.

SPECIALIZING  
IN  
AUTOMOBILE  
INSURANCE

SERVICE  
AND  
LOSS ADJUSTMENT  
FACILITIES  
FROM  
COAST TO COAST

AS  
A  
GOOD AGENCY  
COMPANY



## Fleets Writing \$500,000 or Better Are Graded

### STOCK GROUPS

	Premiums	
	1938	1937
Home	\$16,234,775	\$31,724,119
Franklin	2,243,666	4,541,404
City, N. Y.	897,466	1,816,561
Carolina, N. C.	224,366	454,140
Paul Revere	448,733	908,280
Homestead, Md.	448,733	908,280
New Brunswick	448,733	908,280
Ga. Home	448,733	908,280
Natl. Liberty	818,938	1,602,863
Baltimore Amer.	302,894	592,839
Gibraltar F. & M.	448,733	908,280
Home Indem.	2,306,850	2,119,470

<b>Total</b>	<b>\$25,272,620</b>	<b>\$47,392,796</b>
Travelers Fire	\$2,923,945	\$2,739,011
Travelers Indem.	15,985,998	17,820,969
Travelers Indem.	6,167,933	5,778,122

<b>Total</b>	<b>\$25,087,974</b>	<b>\$26,337,202</b>
Hartford	\$5,515,556	\$3,913,409
N. W. F. & M.	75,899	52,127
Queen City	12,103	11,401
Twin City	9,760	7,939
N. Y. Ind.	60,809	61,514
Citizens, N. J.	24,514	17,393
Hartford A. & Ind.	13,451,528	13,589,743

<b>Total</b>	<b>\$19,150,169</b>	<b>\$17,653,526</b>
Royal	\$899,660	\$984,780
Queen	713,426	723,187
Newark	300,717	342,274
Capital, Calif.	29,579	21,414
Amer. & Foreign	85,920	101,760
British & Foreign	11,850	11,627
Royal Indem.	5,486,514	5,969,817
Eagle Indem.	1,575,436	1,458,547
L. & L. & G.	899,660	984,780
Star	204,016	190,280
Federal Union	68,005	63,427
Globe Indem.	6,875,775	7,221,936

<b>Total</b>	<b>\$17,150,558</b>	<b>\$18,073,829</b>
Amer. Auto. Mo.	\$13,858,127	\$13,255,281
Amer. Auto. Fire	2,865,032	2,512,448

<b>Total</b>	<b>\$16,723,159</b>	<b>\$15,767,729</b>
Automobile, Conn.	\$2,863,805	\$2,867,881
Iowa Fire	14,153	13,549
Standard, Conn.	66,157	66,263
Aetna Cas. & Sur.	11,954,150	11,533,367
Aetna Life	1,085,937	2,667,946

<b>Total</b>	<b>\$15,984,202</b>	<b>\$17,140,006</b>
Continental	\$2,252,192	\$3,089,316
Fidelity-Phoenix	2,646,752	1,613,783
American Eagle	234,080	222,240
First American	176,427	233,903
Maryland	54,924	53,146
Niagara	510,076	495,282
Fidelity & Cas.	7,712,517	7,996,223

<b>Total</b>	<b>\$13,580,908</b>	<b>\$13,703,893</b>
General Accident	\$11,717,957	\$12,439,209
Petomac Fire	796,426	910,596

<b>Total</b>	<b>\$12,514,383</b>	<b>\$13,349,805</b>
Employers Fire	\$878,558	\$843,631
Employers Liab.	9,016,801	9,369,680
Amer. Employers	2,457,573	2,412,212

<b>Total</b>	<b>\$12,352,932</b>	<b>\$12,625,523</b>
U. S. Fid. & Guar.	\$8,978,368	\$9,261,247
Fid. & Guar. Fire	1,597,496	1,481,050

<b>Total</b>	<b>\$10,575,864</b>	<b>\$10,741,297</b>
Aetna Fire	\$5,408,258	\$6,379,266
World F. & M.	477,803	270,938
Piedmont, N. C.	366,902	190,928
Century Indem.	3,155,128	3,148,848

<b>Total</b>	<b>\$9,408,091</b>	<b>\$9,980,980</b>
Firemen's, Newark	\$1,870,825	\$1,598,266
Grand F. & M.	230,381	162,536
Natl. Ben Franklin	230,381	162,536
Concordia	230,381	162,536
Milwaukee Mechs.	615,520	460,517
Metro, Cas.	3,318,309	2,995,326
Commercial Cas.	2,812,086	2,354,481

<b>Total</b>	<b>\$9,307,883</b>	<b>\$8,058,734</b>
Ins. Co. of N. Am.	\$2,250,288	\$2,421,582
Central Fire, Md.	126,579	156,214
Alliance, Pa.	252,457	272,428
Phila. F. & M.	140,643	151,349
National Security	42,193	45,405
Ind. In. Co. of N. A.	4,454,875	4,701,654

<b>Total</b>	<b>\$7,267,735</b>	<b>\$7,728,632</b>
Continental Cas.	\$5,686,446	\$5,530,078
National Cas.	457,198	415,936
Transportation	42,012	

<b>Total</b>	<b>\$6,185,656</b>	<b>\$5,946,014</b>
New Amsterdam	\$4,184,461	\$4,509,192
U. S. Cas.	1,862,569	1,931,279

<b>Total</b>	<b>\$6,047,030</b>	<b>\$6,440,471</b>
Zurich Fire	\$623,957	\$632,640
Zurich Genl. Acci.	4,968,462	5,541,657

<b>Total</b>	<b>\$5,592,419</b>	<b>\$6,174,297</b>
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	Premiums	
	1938	1937
Fireman's Fund	\$2,906,909	\$3,856,361
Fireman's Fund In.	2,084,030	2,255,471
Occidental Indem.	534,337	658,365

<b>Total</b>	<b>\$5,526,276</b>	<b>\$6,770,197</b>
Great American	\$1,024,351	\$1,042,879
Amer. Alliance	133,179	135,593
Mass. F. & M.	27,060	27,552
Rochester Amer.	53,696	54,671
County, Pa.	27,060	27,552
Detroit F. & M.	53,696	54,671
Great Amer. Indem.	4,069,863	4,190,448

<b>Total</b>	<b>\$5,388,905</b>	<b>\$5,533,366</b>
Swiss Reins.	\$82,783	\$81,281
Europ. Gen. Re.	5,104,155	4,695,164

<b>Total</b>	<b>\$5,186,938</b>	<b>\$4,776,445</b>
Coml. Union, Eng.	\$551,781	\$516,926
American Central	297,185	281,014
Palatine	132,096	124,895
Union, London	135,748	128,364
California	187,084	176,935
Coml. Union, N. Y.	117,363	111,018
British Genl.	51,850	48,570
Ocean Accident	2,831,853	3,147,256
Columbia Cas.	537,969	557,828

<b>Total</b>	<b>\$4,842,929</b>	<b>\$5,002,806</b>
Ohio Cas.	\$4,606,014	\$4,556,861
Ohio Ins.	24,596	22,127

<b>Total</b>	<b>\$4,630,610</b>	<b>\$4,578,988</b>
St. Paul F. & M.	\$1,474,075	\$1,724,378
Mercury	360,876	314,737
St. Paul Mer. Ind.	2,678,457	2,301,846

<b>Total</b>	<b>\$4,513,408</b>	<b>\$4,340,961</b>
Phoenix, London	\$409,668	\$455,541
Imperial	106,210	118,103
Columbia, N. Y.	83,451	92,795
United Firemen's	113,796	126,539
Union Marine	45,518	50,616
Phoenix Indem.	1,367,179	1,484,597
London Guar. & Ac.	2,316,796	2,689,560

<b>Total</b>	<b>\$4,442,618</b>	<b>\$5,017,751</b>
Alliance, Eng.	\$257,136	\$399,032
Marine	256,402	398,300
Sea	102,854	159,613
Federal	1,439,966	2,234,580
U. S. Guarantee	2,311,126	2,399,014

<b>Total</b>	<b>\$4,367,484</b>	<b>\$5,590,539</b>
Pacific	\$1,574,715	\$1,621,734
Bankers & Ship	1,813,984	2,107,359
Jersey	896,382	886,893

<b>Total</b>	<b>\$4,285,081</b>	<b>\$4,615,986</b>
Glens Falls	\$1,146,430	\$1,202,333
Commerce	298,052	314,357
Glens Falls Indem.	2,589,256	2,817,149

<b>Total</b>	<b>\$4,033,738</b>	<b>\$4,333,839</b>
National, Hartford	\$3,178,320	\$4,193,366
Mechanics & Trad.	263,104	311,507
Franklin National	108,971	143,773
Transcontinental	108,971	143,773

<b>Total</b>	<b>\$3,659,366</b>	<b>\$4,792,419</b>
General, Wash.	\$1,319,786	\$1,309,830
General Cas.	2,287,553	1,952,719

<b>Total</b>	<b>\$3,607,339</b>	<b>\$3,262,549</b>
Protective Indem.	\$279,146	\$274,588
Preferred Acci.	2,913,136	3,190,035

<b>Total</b>	<b>\$3,192,282</b>	<b>\$3,464,623</b>
Allstate	\$2,471,316	\$2,167,359
Allstate Fire	554,047	451,977

<b>Total</b>	<b>\$3,025,363</b>	<b>\$2,619,336</b>
American, N. J.	\$974,534	\$1,230,295
Columbia, O.	41,470	52,394
Dixie Fire	20,735	192,810
Bankers Indem.	1,805,258	1,670,638

<b>Total</b>	<b>\$2,841,997</b>	<b>\$3,140,137</b>
London & Lanc.	\$488,990	\$522,112
Orient	128,683	153,527
Law Union & Rock.	63,261	51,651
Safeguard	162,597	75,144
Standard Marine	17,767	15,847
Marine, Eng.	256,402	398,300
London & Lan. Ind.	1,683,231	1,968,471

<b>Total</b>	<b>\$2,800,931</b>	<b>\$3,195,052</b>
Standard, N. Y.	\$667,434	\$713,245
Meiji Fire	148,319	158,499
Tokio M. & F.	764,602	833,223
Stand. Sur. & Cas.	1,126,114	1,773,766

<b>Total</b>	<b>\$2,706,469</b>	<b>\$3,478,733</b>
No. British & Merc.	\$787,483	\$1,226,630
Pennsylvania	822,544	810,330
Commonwealth	355,391	383,239
Mercantile	499,036	382,607
Homeland	191,587	295,700
Ocean Marine	5,078	4,983

<b>Total</b>	<b>\$2,661,119</b>	<b>\$3,103,489</b>
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	Premiums	
	1938	1937
Fire Assn.	\$1,960,984	\$2,729,465
Reliance	209,172	291,138
Lumbermen's	313,757	436,707
Phila. National	130,732	181,961

<b>Total</b>	<b>\$2,614,645</b>	<b>\$3,639,271</b>
Mfrs. Fire, Pa.	\$71,809	\$67,035
Mfrs. Cas.	2,526,887	2,609,074

<b>Total</b>	<b>\$2,598,696</b>	<b>\$2,676,109</b>
Central Sur. Fire	\$139,674	\$54,071
Central Surety	2,433,497	2,360,944

<b>Total</b>	<b>\$2,573,171</b>	<b>\$2,415,015</b>
Royal Exch.	\$282,319	\$201,815
Car & General	2,202,422	1,704,177

<b>Total</b>	<b>\$2,484,741</b>	<b>\$1,905,992</b>
Western Fire	\$472,891	\$526,040
Western Cas. & Sur.	1,924,811	2,181,576

<b>Total</b>	<b>\$2,397,702</b>	<b>\$2,707,616</b>
Sun	\$420,584	\$466,889
Sun Underwriters	89,037	64,213
Patriotic	139,847	112,651
Sun Indem.	1,612,853	1,827,386

<b>Total</b>	<b>\$2,262,321</b>	<b>\$2,471,139</b>
Amer. Surety	\$1,326,583	\$1,311,071
N. Y. Cas.	913,506	912,573

<b>Total</b>	<b>\$2,240,089</b>	<b>\$2,223,644</b>
General Reinsur.	\$2,085,795	\$2,346,299
North Star	100,812	190,192

<b>Total</b>	<b>\$2,180,007</b>	<b>\$2,536,491</b>
Keystone A. Club, F.	\$208,030	\$201,168
Keyst. A. Club Cas.	1,866,725	1,904,931

<b>Total</b>	<b>\$2,074,755</b>	<b>\$2,106,090</b>
Pa. Indem. Fire	\$308,142	\$316,237
Pa. Indem.	1,614,579	1,805,234

<b>Total</b>	<b>\$1,922,721</b>	<b>\$2,121,471</b>
United States Fire	\$638,545	\$673,181
North River	292,656	356,552
Richmond	57,117	57,006
British America	45,773	71,838
Western, Ont.	89,526	111,898
Allemania	106,478	100,490
Westchester	569,004	639,133
Southern, N. C.	47,522	44,913

North River .....	292,656	356,552
Richmond .....	57,117	57,006
British America ...	45,773	71,838
Western, Ont. ....	89,526	111,898
Allemania .....	106,478	100,490

	Premiums	
	1938	1937
Amer. Equitable..	\$ 329,265	\$ 403,864
Globe & Republic..	189,868	232,885
Knickerbocker ..	144,293	176,875
Merch. & Mfrs....	112,959	138,552
N. Y. Fire.....	163,431	200,458
Sussex Fire .....	21,630	26,531

**Total .....** \$ **961,356** \$ **1,179,165**

N. J. Mfrs. Assn. F.	\$ 330,210	\$ 350,036
N. J. Mfrs. Cas....	534,641	555,195

**Total .....** \$ **864,851** \$ **905,231**

Associated Indem..	\$ 806,849	\$ 1,228,986
Associated F. & M.	51,721	53,629

**Total .....** \$ **858,570** \$ **1,282,615**

Universal .....	\$ 541,905	\$ 431,453
Universal Indem...	250,664	261,690

**Total .....** \$ **792,569** \$ **693,143**

London Assur....	\$ 504,929	\$ 547,229
Manhattan F. & M.	140,947	166,244
Union Fire, Fr....	94,835	73,878

**Total .....** \$ **740,711** \$ **787,351**

Dearborn Natl....	\$ 65,664	\$
Great Lakes Cas..	669,807	684,601

**Total .....** \$ **735,471** \$ **684,601**

Boston .....	\$ 543,128	\$ 561,441
Old Colony .....	171,633	165,556

**Total .....** \$ **714,761** \$ **726,997**

New Hampshire...	\$ 556,959	\$ 264,273
Granite State....	118,436	101,428

**Total .....** \$ **675,395** \$ **365,701**

Lon. & Provincial..	\$ 38,919	\$ 49,283
Seaboard F. & M..	56,935	90,842
Yorkshire .....	194,596	246,415
Yorkshire Indem...	371,071	333,758

**Total .....** \$ **661,521** \$ **720,298**

Selected Risks F..	\$ 54,642	\$ 44,594
Selected Risks Ind.	562,024	520,448

**Total .....** \$ **616,666** \$ **565,042**

Globe & Rutgers...	\$ 341,423	\$ 308,716
American Home ...	218,150	273,532

**Total .....** \$ **559,573** \$ **582,248**

Atlas .....	\$ 458,292	\$ 655,163
Albany .....	87,293	124,770

**Total .....** \$ **545,585** \$ **779,937**

## NON-STOCK

	Premiums	
	1938	1937
Glen Cove Mut....	\$ 51,043	\$ 39,703
Federal Mut. Fire..	189,294	175,870
Natl. Retailers M..	960,605	641,769
Amer. Motorists...	4,823,831	4,953,278
Lumb. Mut. Cas....	16,277,864	15,991,168

**Total .....** \$ **222,302,637** \$ **221,801,788**

State Farm. Fire...	\$ 2,359	\$ 49,638
State Farm M. An..	13,037,655	10,924,057

**Total .....** \$ **13,040,014** \$ **10,973,695**

United Mut. Fire...	\$ 1,069,178	\$ 997,336
Liberty Mutual....	11,591,345	10,787,740

**Total .....** \$ **12,660,523** \$ **11,785,076**

Hdwe. M. F., Minn..	\$ 329,274	\$ 301,087
Minn. Impl. Mut...	335,236	310,975
Hdwe. DL Mut. F..	768,467	296,729
Hdwe. Mut. Cas...	7,220,887	6,900,372

**Total .....** \$ **8,653,864** \$ **7,809,163**

Farmers Auto., Ca.	\$ 5,860,206	\$ 5,100,905
Truck Ins. Ex....	1,028,445	824,725

**Total .....** \$ **6,888,651** \$ **5,925,630**

Allied Am. M. Fire.	\$ 444,461	\$ 381,831
American M. Liab..	4,074,985	3,940,486
Amer. Policyhold...	1,042,930	1,005,693

**Total .....** \$ **5,562,376** \$ **5,328,010**

Automobile Mut...	\$ 622,090	\$ 626,022
Factory Mut. Liab.	3,053,177	3,231,845

**Total .....** \$ **3,675,267** \$ **3,857,867**

Allied Fire .....	\$ 68,760	\$ 64,721
Utica Mutual.....	3,312,353	2,918,190

**Total .....** \$ **3,381,113** \$ **2,982,911**

Northw. M., Wash..	\$ 849,664	\$ 881,099
Northw. Cas. ....	1,309,996	1,216,697

**Total .....** \$ **2,159,660** \$ **2,097,796**

Motor Indem. ....	\$ 914,746	\$ 2,422,804
Emmco .....	1,095,582	1,394,853

**Total .....** \$ **2,010,328** \$ **3,817,657**

Harleysville M. Cas.	\$ 1,805,146	\$ 1,752,511
Mut. Auto. Fire,		
Harleysville .....	74,842	50,040

**Total .....** \$ **1,879,988** \$ **1,802,551**

Employers M. Fire.	\$ 123,142	\$ 71,786
Employers M. Liab.	1,753,538	1,615,594

**Total .....** \$ **1,876,680** \$ **1,687,380**

	Premiums	
	1938	1937
Peerless Cas. ....	\$ 147,168	\$ 124,942
Natl. Grange Fire..	50,474	38,976
Natl. Grange M. L..	1,498,305	1,318,949

**Total .....** \$ **1,695,947** \$ **1,482,867**

Equity Mut. ....	\$ 298,855	\$ 256,684
Cas. Recip. Exch...	1,311,872	1,340,125

**Total .....** \$ **1,610,727** \$ **1,596,809**

Celina Mut. Cas...	\$ 698,317	\$ 617,992
National Mutual...	1,567	25,662
Mercer Cas. ....	531,799	625,016

**Total .....** \$ **1,231,683** \$ **1,268,670**

United Auto., Mich.	\$ 83,416	\$ 125,723
Hawkeye Cas....	580,964	514,862
Trav. Mut. Cas....	420,688	438,540

**Total .....** \$ **1,085,068** \$ **1,079,125**

Central Mfrs. Mut..	\$ 753,180	\$ 767,596
Ohio Und. Mut....	33,062	25,029

**Total .....** \$ **786,242** \$ **792,625**

## Insure Against Making Repeat Trip to the Fair

(CONTINUED FROM PAGE 20)

A mother received \$6,665 for "pecuniary loss for funeral and medical expenses" and \$1,500 for "pain and suffering from time of the accident until death" of her son. The father for another boy killed in the same accident received \$6,529 for "pecuniary loss and expense of burial."

A White Plains, N. Y., jury awarded \$35,250 to a sister of a man killed in an automobile accident. A man received \$25,000 for the loss of his leg and severe internal injuries. A widow at Peekskill, N. Y., got a \$27,500 verdict for the death of her husband in an automobile accident. At Yonkers, N. Y., two brothers received \$22,500 for injuries when an automobile struck them. Another man received \$20,000 in Yonkers, N. Y., for injuries.

In Utica a girl was awarded \$14,500 damages for injuries, including a broken pelvis and her father was awarded \$2,500 for medical and hospital expenses.

Inasmuch as the automobile liability insurance rates in the New York area are higher than any place in the country, the hazards the out of state motorists face are quite evident. These verdicts are only a few examples of the awards being made in New York and vicinity. They do indicate the trend of liberal juries and when suits are against out of state motorists the New Yorkers are naturally apt to be even more liberal.

## Spirit of Pioneers Needed in Auto Selling Today

(CONTINUED FROM PAGE 3)

these companies have employed have been scorned by the established local

agent and the appointments have been protested to the state, but that fact remains that many of these representatives have been willing to do the things that have to be done in order to reach those in the lower income group and the established local agent has not.

A general agent of a life insurance company remarked the other day when he gets discouraged and affairs at the office become seemingly unbearable, he goes out and sells a policy. That always refreshes him and puts him in a frame of mind to handle the problems of his office. That would seem to be rather empty advice for a local insurance agent, who is in the business of selling policies, but it is our observation that too many agents have permitted themselves to be downed by the routine of the office and are too much occupied with strategy that they hope some day will result in the capture of a large line. If they would go out to the people who don't have insurance and who need it they would not only sell policies, but they would get the buoyancy of spirit and satisfaction of extending their clientele and of doing a socially desirable job.

A rebirth of the spirit that propelled those agents in the earlier days of the automobile is needed today.

# PROGRESS

**E**IGHT YEARS in the business of insuring automobiles and of saving money for its policyholders have brought the ALLSTATE INSURANCE COMPANY to a decidedly advantageous and prosperous position.



Each succeeding year, since organization, has witnessed a very favorable increase in business. In 1938 the company showed more than 15% increase in premium income over the previous year. In 1931 (the year of organization) the company wrote only \$118,323.00, while at the end of 1938, the net premiums were \$3,025,363.06, a gain of over 900% in eight years.



Now licensed in 42 states and the District of Columbia, ALLSTATE has continued to increase its field forces throughout the country.



ALLSTATE is ably managed, well financed. ALLSTATE keeps on winning new friends by the way it takes care of the old ones. That is the reason for its very remarkable progress. ALLSTATE will continue the policies which have placed it among the leaders in the automobile insurance field.

**ALLSTATE INSURANCE COMPANY**  
20 North Wacker Drive . . . Chicago, Illinois



# Stock Fire Premiums Are Off Sharply from Phenomenal Peak of '37

The automobile premium writings of stock fire companies have been reflecting some strange gyrations since 1935, when the practice became general of requiring those purchasing automobiles under contract to carry collision insurance as well as fire and theft. That sent the premiums shooting skyward and incidentally caused an increase in the loss ratio that for a time became alarming. The requirement that collision be carried was introduced at a time when the sale of automobiles was increasing with the result that by 1937 the premium writings of stock fire companies had reached the impressive total of \$187,115,867.

In 1938 the "recession" was manifest and the sales of new cars dropped off sharply. That caused a sharp decline in the premium writings of those companies that had substantial interest in the finance business. At the same time there was an improvement in respect of collision losses, due to a number of causes, including positive action on the part of insurance companies and finance companies to keep the automobile dealers from enriching themselves improperly due to the fact that so many of their customers carried collision insurance. The ratio of net losses paid to net premiums written in 1938 increased to 57.7 as compared with 48.8 in 1937. However, on an earned premium and incurred loss basis, the experience would

TEN STOCK FIRE AUTO LEADERS						
	1938		1937			
	Net Prem.	Paid Losses	Net Prem.	Inc. or Dec.	% Inc.	
1. General Exch. ....	\$20,362,440	\$14,862,254	\$29,788,160	—\$9,425,720	—31.6	
2. Home, N. Y. ....	16,234,775	13,093,855	31,724,119	—15,489,344	—48.8	
3. Hartford Fire ....	5,515,556	2,186,266	3,913,409	+1,602,147	+40.9	
4. Aetna Fire ....	5,408,258	3,059,461	6,379,266	—971,008	—15.2	
5. Natl., Hartford ....	3,178,320	1,990,539	4,193,366	—1,015,046	—24.2	
6. Travelers Fire ....	2,923,945	1,031,887	2,739,011	+184,934	+6.7	
7. Fireman's Fund ....	2,906,909	1,690,225	3,856,361	—949,452	—24.6	
8. Amer. Au. Fire ....	2,865,032	1,027,406	2,512,448	+352,584	+14.0	
9. Automobile ....	2,863,805	1,071,307	2,867,881	—4,076	—0.1	
10. Fid.-Phenix ....	2,646,752	1,074,497	1,613,783	+1,032,969	+64.0	

look better in 1938 than it did in 1937.

The heaviest declines in premiums written were for those companies that do have a substantial finance interest. The companies that do not engage in automobile finance writing or else have only a minor interest in it were able to hold their own fairly well and even to break over to the plus column. These companies were picking up the insurance on cars after the end of the financing period. The experience of the non-finance writers reflects conditions about a year after they become manifest. It may very well be that the companies writing finance business this year will make a gain, as automobile production and sales increase, and that those companies that limit themselves largely to

individual car business will face a decline in premiums this year because the number of cars released from the control of finance companies this year may be less than the number that was released in 1938.

Total automobile premiums written of stock fire companies in 1938 amounted to something better than \$150,000,000, or a decrease of 19.4 percent from the peak year of 1937.

General Exchange of General Motors Acceptance Corporation climbed back into first place in 1938 with premiums of \$20,362,440. Its premiums were off 31.6 percent. Home of New York is well entrenched in second place with premiums of \$16,234,775. Home reached a phenomenal peak in 1937 and the busi-

ness went off sharply last year. Hartford Fire made a gain of 40.9 percent in premiums, standing in third place with writings of \$5,515,556. Hartford Fire reinsured lock, stock and barrel the business of Shawnee Mutual of Lima, O., last year and that undoubtedly helped to boost its record.

Aetna Fire, which entered the finance field rather aggressively about two years ago, had a decline of 15.2 percent in premiums, standing in fourth place with writings of \$5,408,258. National of Hartford, another company with a substantial interest in the finance field, dropped off 24.2 percent in premiums. It stands No. 5 with 1938 writings of \$3,178,320. Travelers Fire advanced from 10th place in 1937 to No. 6 in 1938, with a 6.7 percent premium gain.

Fireman's Fund remains in seventh place although its premiums went off 24.6 percent in common with the other finance writers. American Auto Fire made a good gain of 14 percent and entered the ranks of the first 10, standing in eighth position with premiums of \$2,865,032. Automobile of Hartford retains No. 9 position with a negligible decline in premiums. The America Fore group is represented in the first 10 by Fidelity-Phenix this year. Last year Continental was in that list. Fidelity-Phenix made a big gain of 64 percent and stands No. 10 with premiums of \$2,646,752.

## STOCK FIRE AUTOMOBILE EXPERIENCE IN 1938 REPORTED

1938					1937					1938					1937				
Net Prem.	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.		Net Prem.	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.		Net Prem.	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.		Net Prem.	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.	
Aetna Fire ....	5,408,258	3,059,461	56.5	—971,008	6,379,266	2,315,346	36.2	+4,721,011		Alliance, Pa....	253,157	115,212	45.5	—19,271	272,428	110,207	40.4	+65,690	
Agricultural ....	1,098,636	462,745	42.1	+310,764	787,872	350,860	44.5	+213,100		Allied, N. Y....	68,760	10,594	15.4	+4,039	64,721	8,116	12.5	+8,156	
Albany ....	87,293	59,100	67.7	—37,477	124,770	74,509	59.7	+9,283		Allstate F., Ill.	554,047	171,077	30.8	+102,070	451,977	137,043	30.3	+114,729	
Allemania ....	106,478	54,844	51.5	+5,988	100,490	39,025	38.8	+28,917		Amer. Alliance.	133,179	68,100	51.1	—2,414	135,593	61,659	45.4	+29,566	
Alliance, Eng..	257,136	155,066	60.3	—141,896	399,032	154,257	38.6	+72,967		Amer. & For..	85,920	45,053	52.4	—15,840	101,760	42,863	42.1	+12,914	

(CONTINUED ON THIRD COVER)

### Gearing Auto Production to the Mass Market

(CONTINUED FROM PAGE 5)

This method of presentation has two advantages. First, it lets the buyer exercise a choice and, second, it emphasizes in the mind of the buyer that he gets exactly the same service protection from all three contracts. Sometimes people hesitate to buy the lower price contract because they rank the entire contract at lower quality along with the decrease in the protection limits. The agent may devise specific plans of his

own for presenting the \$1,000 contract, but it needs to be stated again and again that a complete and enthusiastic sales talk is necessary.

People without property do have possessions they want to keep. Show how the \$1,000 automobile policy will help its buyer retain possessions he now prizes and much of the sales work is done. Here are some possessions of the prospect that he wants to hold on to:

Automobile, driving privilege, job, personal liberty (some states), future prospect for owning property, standing in the community.

Show how it is possible to lose one or all of these possessions by failure to own an automobile liability insurance policy. It is easy to construct a sales talk around each of these points. Personal liberty would not be lost in all states, but in some states personal liberty can be lost.

The \$1,000 automobile policy offers the agent an opportunity to make up for loss of total automobile premiums due to rate reductions. One company has already made an analysis which shows that from 5 percent to 10 percent of the \$1,000 policies will be written for higher limits at mid-term or at renewal.

It also offers a way to meet the buyer who wants to postpone action until he can take the higher limits by asking him whether his first life insurance policy was not for \$1,000. Now all the direct writers as well as the agents are flocking around the approximately 7,500,000 motorists already insured and actual canvassing statistics show that about 13 percent of business on the books might be switched by a single canvass while an agent going after a selected group of uninsured prospects can sell about 25 percent of them. There is also a good chance that the new client will not be a target risk.

## THE HOOSIER CASUALTY COMPANY

A STOCK COMPANY

ASSETS OVER \$1,232,052.71

Writing All Automobile Coverages with Special Personal Automobile Accident Coverage for Every Member of the Family. An Innovation in Automobile Insurance.

All Forms of Accident and Health Insurance.

STRENGTH

PROMPTNESS

DEPENDABILITY

SERVICE

# "Full Cover" Auto Writers Gain 3.8% in 1938

The insurers classified as "full coverage stock companies" returned a slight gain in automobile premiums written in 1938, compared with the previous year. The increase was \$1,399,951, or 3.8 percent. Total premiums in 1938 were \$37,881,637 and net losses paid \$15,509,851, for a loss ratio of 40.9, a slight improvement from the figure of 42.1 the previous year.

In this table are included only those companies that accept for their own account all types of automobile insurance—fire, theft, comprehensive, collision, auto liability and property damage. There are some stock casualty companies specializing in automobile insurance, that would accept for their own account all of these lines, but are prevented from doing so by the laws of New York and one or two other states in which they are entered. That type of company maintains an affiliated stock fire company. A joint policy is written but the fire, theft and some times collision is actually written in the fire company. Among the institutions in that

## TEN FULL COVERAGE AUTO LEADERS

	1938	1937	Inc. or Dec.	% Inc. or Dec.
	Net Premiums	Net Premiums		
1. Ohio Cas.	\$4,606,014	\$4,556,861	+\$49,153	+1.0
2. Pacific Indem.	3,295,467	2,795,908	+\$499,559	+17.8
3. Trinity-Universal	2,860,766	2,796,063	+\$64,703	+2.3
4. Coml. Standard, Tex.	2,129,943	1,889,034	+\$240,909	+12.7
5. Amer. States	1,995,974	2,055,514	-\$59,540	-2.8
6. Buckeye Union	1,791,361	1,751,159	+\$40,202	+2.2
7. Amer. Indem., Tex.	1,594,363	1,507,002	+\$87,361	+5.7
8. United Pacific	1,332,447	1,231,529	+\$100,918	+8.1
9. Northw. Cas., Wash.	1,309,996	1,216,697	+\$93,299	+7.6
10. Employ. Cas. Tex.	1,254,637	618,058	-\$636,579	-102.8

category are American Automobile and American Automobile Fire and Allstate and Allstate Fire. The companies that appear in the "full coverage" table are not entered in New York state and hence are free to insure all types of automobile business.

Ohio Casualty maintains its leadership in the "full coverage" field with pre-

miums of \$4,606,014, a gain of \$49,153 for the year. Pacific Indemnity, which recorded a sharp gain of \$499,559 for the year, went up a notch to second place on its premiums of \$3,295,467. Trinity Universal with \$2,860,766 in premiums is in third place.

Commercial Standard of Texas made a substantial gain of \$240,909 and im-

proved its position in the ranking. It now stands No. 4. American States of Indianapolis is No. 5 with premiums of \$1,995,974.

Buckeye Union Casualty of Ohio made a gain and stands No. 6 with premiums \$1,791,361. A running mate for this company, Buckeye Union Fire, was put in the field last year but in 1938 it had no automobile premiums. American Indemnity of Texas stands No. 7 with premiums of \$1,594,363, a gain of \$87,361.

United Pacific made a gain in premiums of \$100,918 or 8.1 percent and stood No. 8 in the list. Its 1938 premiums were \$1,332,447. Northwest Casualty of Washington, which is affiliated with Northwestern Mutual Fire, made a gain and stood No. 9 on its premiums of \$1,309,996. Employers Casualty of Texas, with premiums of \$1,254,637, is No. 10. Two other companies in the "full coverage" table had premiums in 1938 of more than \$1,000,000. They are: General Casualty of Wisconsin and Pacific Employers.

## Automobile Premiums and Losses Full Coverage Stock Companies

	1938	1937	Inc. or Dec.	% Inc. or Dec.
	Total Premiums	Total Premiums		
Amer. Fire & Cas., Fla.	361,279	272,239	89,040	32.7
Amer. General, Tex.	579,708	503,830	75,878	15.0
Amer. Indem., Tex.	1,594,363	1,507,002	87,361	5.8
Amer. States	1,995,974	2,055,514	-59,540	-2.9
Anchor Cas., Minn.	939,976	920,879	19,097	2.1
Buckeye Un. Cas., O.	1,791,361	1,751,159	40,202	2.3
Coml. Standard, Tex.	2,129,943	1,889,034	240,909	12.7
Economy Auto., Ill.	557,830	492,252	65,578	13.3
Employers, Ala.	166,795	180,467	-13,672	-7.6
Employ. Cas., Tex.	1,254,637	618,058	636,579	102.8
Freeport Motor, Ill.	810,407	747,159	63,248	8.5
General Cas., Wis.	1,137,593	1,060,565	77,028	7.3
Government Employes	401,056	238,289	162,767	68.3
Hawkeye Cas.	588,964	514,862	74,102	14.4
Hoosier Cas.	759,717	830,902	-71,185	-8.6
Illinois Auto.	395,322	413,490	-18,168	-4.4
Ill. Natl. Cas.	720,862	623,454	97,408	15.6
Imperial, D. C.	33,529	57,555	-24,026	-41.9
Indiana	703,764	679,427	24,337	3.6
Mercer Cas.	531,799	625,016	-93,217	-14.9
Motor Veh. Cas., Ill.	771,503	944,023	-172,520	-18.3
Natl. Auto., Calif.	521,714	86,603	435,111	501.2
Northw. Cas., Wash.	1,309,996	1,216,697	93,299	7.7
Ohio Cas.	4,606,014	4,556,861	49,153	1.1
Oregon Auto	313,347	328,890	-15,543	-4.7
Pacific Auto., Calif.	824,473	872,157	-47,684	-5.5
Pacific Employ.	1,088,884	1,064,384	24,500	2.3
Pacific Indem.	3,295,467	2,795,908	499,559	17.9
Prof. Aut., Mich.	715,986	735,101	-19,115	-2.6
Sub. Auto., Ill.	348,189	306,018	42,171	13.8
Tenn. Auto.	370,220	346,030	24,190	7.0
Traders & Gen., Tex.	337,293	319,766	17,527	5.5
Trinity-Universal	2,860,766	2,796,063	64,703	2.3
Union, Ind.	673,604	642,759	30,845	4.8
United Auto., Mich.	83,416	125,723	-42,307	-33.7
United Employ. Cas., Tex.	40,156	93,618	-53,462	-57.1
United Pacific	1,332,447	1,231,529	100,918	8.2
Wolverine	941,303	961,133	-19,830	-2.1
<b>Total</b>	<b>37,881,637</b>	<b>36,481,706</b>	<b>1,399,931</b>	<b>3.8</b>
	<b>15,509,851</b>	<b>15,342,547</b>	<b>167,304</b>	<b>1.1</b>
	<b>40.9</b>	<b>42.1</b>	<b>-1.2</b>	<b>-2.8</b>

Total before reinsurance.  
\*Auto Premiums, before reinsurance.  
†Includes comprehensive and wind.

‡Figures of Southern Underwriters.  
††Includes auto plate glass and comprehensive.

# SCOTTISH UNION AND NATIONAL

Insurance Company

HARTFORD, CONNECTICUT

Established 1824

J. H. Vreeland, Manager

Assets, \$8,275,678.61

Liabilities, \$3,606,578.53

Policyholders Surplus \$4,669,100.08

# AMERICAN UNION

Insurance Company

Administrative Offices: HARTFORD, CONNECTICUT

J. H. Vreeland, President

Assets: \$3,450,979.37—Liabilities, \$495,941.81

Policy Holders Surplus, \$2,955,037.56

# CENTRAL UNION

Insurance Company

Administrative Offices: HARTFORD, CONNECTICUT

J. H. Vreeland, President

Assets: \$1,609,056.46—Liabilities, \$187,402.24

Policy Holders Surplus, \$1,421,654.22



• The Companies of this Group are entirely local agency companies, both in the letter and in spirit observing the principles of the American Agency System.

• A complete portfolio of lines is written: Fire, Windstorm, Automobile, Sprinkler Leakage, Rents, Use and Occupancy, Inland Marine, and Riot and Civil Commotion.



# "Going to the Fair This Summer?"

## Tourist Should Make Certain He Won't Have to Repeat Trip

"Are you going to the fair?"

This query makes an effective sales approach during the coming months. From four to nine million out of town visitors are expected to attend the Golden Gate Exposition at San Francisco and New York is prepared to entertain from 15 to 60 million visitors before its world fair closes.

"I am glad to hear you are going but are you sure you won't have to make the trip a second time?"

"What do you mean?"

"Both New York and California and the majority of the states you have to drive through in going to either fair have automobile financial responsibility and 'long arm' laws. This means that if you are involved in an automobile accident while you are on your trip, you have to return to the scene of the accident to defend any damage suits which might be brought against you. Even if the accident isn't your fault and you successfully defend your suit, you face the cost and inconvenience of trying the case. The only way to be on the safe side is to have automobile liability and property damage insurance."

### Backed Up with Facts

Such an approach can be backed up with many facts and explanations. With the millions of visitors coming and going to the fairs the roads in the vicinity will be crowded and every driver will be exposed to accidents. The New York fair is expecting the greatest cavalcade of motorists America has ever seen. A 1,216½ acre tract is being set aside for parking on Flushing Meadow just outside of Manhattan. Parking arrangements have been prepared to handle a minimum of 9,250,000 cars during the six months the fair will be open. A 90-acre tract in the Bronx, opposite the fair grounds is being set aside for Trailer Town with 1,200 trailers expected. Although great care is being taken in developing a system for handling traffic the more the cars, the more the driver will be exposed to accidents.

San Francisco expects an average of 10,000 cars a day from June to September and parking facilities for 25,000 cars are being provided for fair visitors.

The tunnels and bridges in the vicinity of both New York and San Francisco are confusing to visitors and although police will guard against mishaps, the fair visiting motorist will encounter many a "hick" driver going to the big city for the first time.

There are now 32 states with financial responsibility or compulsory automobile liability insurance laws and 46 have long "arm" provisions. Only in Utah and Missouri can a driver involved in an automobile accident get away without being subject to a call back to defend himself before an unfriendly jury in a strange city.

### Upheld by Courts

The long arm provision of financial responsibility laws has been upheld by many courts, from the United States Supreme Court down, so there is no doubt about the difficulties involved.

Inasmuch as the visitors to the fair will probably spend at least three or four days, if not a longer period, in California and in New York, the responsibility laws there are of special interest to the prospect.

Both the New York and California laws provide that a person in default on a judgment cannot operate or register an automobile until he has satisfied the judgment and posted evidence of his financial responsibility for future accidents.

In both California and New York the policies of non-admitted insurers are not accepted as evidence of financial responsibility under the law.

When the tourist enters New York or California, or in fact any of the states having financial responsibility laws, he becomes subject to the law of that state.

Not only may a person lose his right to drive in a state having a financial responsibility law, but he may be dragged back hundreds or thousands of miles by the long arm of the law to face a suit in a foreign and unfriendly court.

Losing the right to drive in California and New York may not appear to be a serious proposition, but in case of an accident the driver may be called back to the state to defend a suit. When the motorist enters New York or California, or in fact any state except Utah or Missouri, he automatically appoints the secretary of state, commissioner of motor vehicles or some other official of that state, as his agent to accept service. In case of an accident the injured person only has to serve a summons on a designated official in his state and that official forwards it to the automobile owner. He must then either let the judgment go by default or come into the state and defend the suit at great expense. Any judgment attained in this manner is legally enforceable in any state.

In case suit is brought against a fair visitor after he returns to his home he will receive a registered letter from a state official in New York, California or the state in which the suit is being brought notifying him that the suit has been brought against him for damages in a certain county in that state. If he ignores the notice, trouble faces him. The summons is perfectly legal. If he takes no steps to defend the suit the claimant can go ahead and prove his or her case in his local court and secure a judgment for damages. With the suit undefended, the sum of the judgment will be substantial, as the claimant usually gets what he asks under such circumstances. After obtaining this judgment the claimant can take it to the man's home state and collect it. He doesn't have to try the case again in the defendant's home state. All he has to do is to take the judgment in a court in the defendant's state and secure a writ of execution against the goods and chattels of the automobile owner.

The cost of securing a lawyer who is

qualified to defend personal injury suits is high, even in the automobile owner's home city, but if he has to get a New York or California lawyer to defend him, it not only runs his cost up, but it is also difficult to find a lawyer of whom he has some knowledge so that he can trust his honesty, ability and his integrity.

### Hard to Get Lawyer

Mediocre lawyers as well as good lawyers are listed in legal directories so that it isn't easy to get one who is qualified to handle such a case. Inasmuch as most of the lawyers who represent plaintiff's in personal injury suits are experts along that line, it takes an expert to defend such a suit. In law there are so many technicalities and comparatively little things in the procedure which may affect the final verdict that it is important to have a lawyer who knows the ins and outs. The preparation of the case, the securing of witnesses and all the procedure involved, make the employment of the best legal talent advisable.

In a trial in New York or California, the jury is not likely to look with favor on an out of state motorist who has injured a native son. The emotional appeal is always a factor in an automobile accident suit, especially if the defendant is crippled and has a hard luck story to relate.

New York City has especially high automobile liability insurance rates which are the result of the high accident frequency and liberal verdicts. An uninsured motorist is exposed to these increased hazards which are responsible for the high New York rates.

### Dynamite in Minor Violations

The careful driver is not legally careful unless he observes the traffic laws of the state in which he is driving. Trivial violation of traffic regulations, no matter how slight, put the driver on the spot in case of an accident. Out of state drivers face the hazard of not knowing local traffic regulations and the police are usually lenient to out of state visitors on minor violations. However, if there is an accident involved, the minor violations assume grave importance. Plaintiff lawyers stress such points to the utmost and a violation which might or-

dinarly be overlooked, may result in a substantial verdict.

The driving speed limit is 40 miles an hour in New York and 45 miles in California so the driver from states where there are only "reasonable and proper" or 50 mile restrictions may forget and let his foot get a little heavy on the accelerator. To dim or not to dim headlights varies in different states. California says "yes" and New York says "no." New York is very strict on the minimum age limit of drivers with an 18 year limit while California permits sixteen year olds to drive. These are only a few of the variations which the fair visitor must consider.

### LIBERAL JURIES

Liberal juries in the San Francisco region indicate the hazard which the out of state motorist faces when he drives to the Golden Gate Exposition. Recently a San Francisco grocer was awarded \$20,000 in an accident in which his legs and back were broken. An accident in Oakland in which seven people were injured was settled out of court for \$16,250. A widow was awarded \$22,000 for the death of her husband and injuries she suffered in an automobile accident in San Francisco. A 60 year old man received a \$2,500 verdict for a fractured skull.

If the fair visitor wishes to see the famed redwoods, he will probably go through Redwood City where a woman received a \$35,000 verdict for injuries and was awarded \$5,500 for the death of her son. In another Redwood City suit involving five injured people, verdicts totalling \$23,000 were awarded as the result of one crash.

At Stockton a farmer won \$15,680 damages, \$10,000 of which was for the loss of life of his 18 year old daughter and \$5,680 for personal injuries which he sustained. At San Jose a widow was awarded \$10,000 for the death of her husband in an auto collision and three minor children were allowed \$5,000 each for the death of their father in an automobile accident.

In case the California fair visitor decides to drive down the coast and visit Los Angeles, and Hollywood, they face liberal courts. There was a recent \$25,000 award for injuries in an automobile accident made in Los Angeles and at Long Beach two people injured in a single accident were awarded \$6,740 and \$808 verdicts. If the motorist's trip takes him through Bakersfield, he will find they are still talking about the \$35,000 award to a woman and a \$7,708 reward to her husband, both having suffered severe internal injuries in an automobile accident. Another jury at Bakersfield awarded \$11,000 to a widow whose husband died of injuries received in an automobile accident. Another crash at Bakersfield brought damages totalling \$51,500 in a suit in which one member of the family was killed and several injured.

At Los Angeles a widow was awarded \$23,500 for the loss of her husband and child in an automobile accident.

These are only a few of the verdicts which have been rendered in California in the last year or two, but they indicate the liberal trend of juries.

In going to the New York fair the automobile driver goes through a number of large cities. If he takes in Niagara Falls, he is apt to go through Buffalo where there have been some good sized verdicts rendered recently. For example, a woman there received \$30,000 when an automobile crashed into her when she was crossing a street. Another woman won \$15,000 for the loss of an arm in an automobile accident.

(CONTINUED ON PAGE 17)



This is the type of crash which occurs in the New York area. Several persons were seriously injured when these two cars collided in Jamaica, L. I., the cars piling up on each other in a freak fashion.—Acme News Pictures.

## Safety Service Is Strong Sales Point

(CONTINUED FROM PAGE 6)

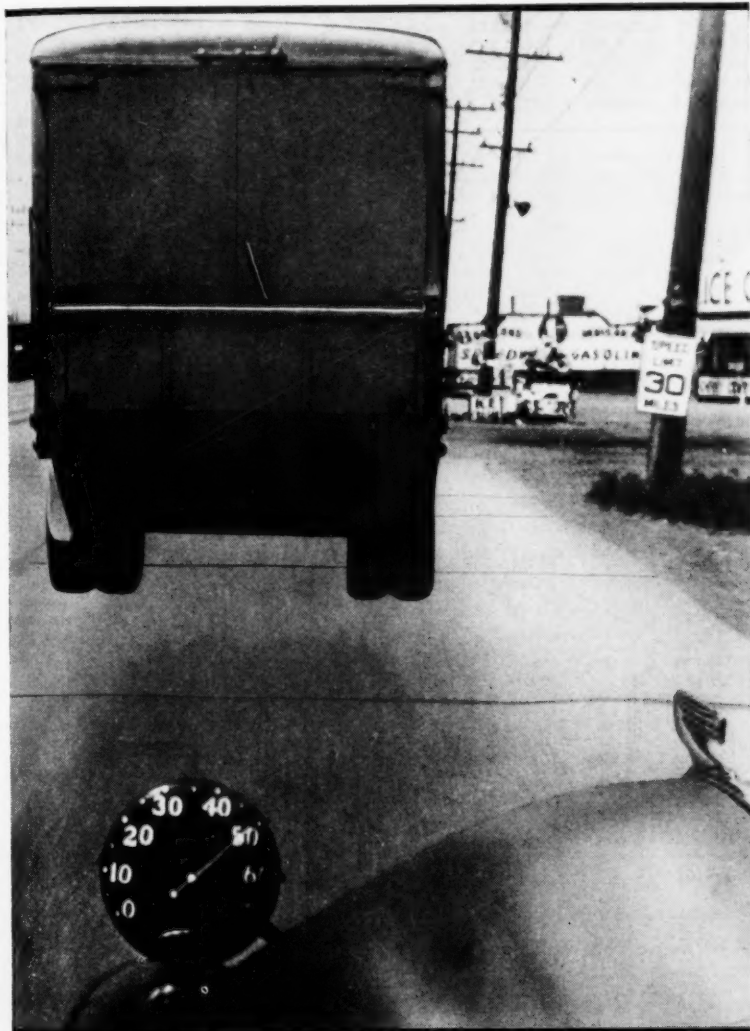
desirability of the risk. In determining the extent of the service the number of vehicles operated is taken into consideration because the need for service is usually in proportion to the number.

Practically all contacts with the assured on fleet engineering problems are through personal contact. Leading companies have engineers located in important centers so they are able to offer prompt and efficient service.

Periodic visits are made to the insured by the engineering department, depending of course on the size of the fleet. In the case of the small fleet the

equipment, including all mechanical devices and the possibility of exhaust fumes escaping and affecting the driver's efficiency. In cases of large fleets the management usually maintains its own garage so it is desirable for the engineers to check on the qualification and training of the maintenance staff and its methods employed in inspecting, servicing and repairing the equipment.

The territory in which the fleet operates is analyzed with possibilities of re-routing vehicles to take advantage of more favorable road conditions and traffic. The adaptability of the equip-



In trailing commercial vehicles bad driving practices and the condition of the vehicle are noted by the safety engineer. The new "Trafik-I" speedometer devised by George Grist of the Royal Indemnity's Chicago office enables the trailer to get visual evidence. In this case the truck was going nearly 50 miles an hour while the roadside sign indicates a 30 mile speed limit.

visits may be once a year while on the larger fleets, monthly visits may be practical.

The importance of the service element increases in proportion to the size of the fleet. When fleets have less than five cars the problem of proper supervision is of minor importance, but in larger units it is difficult for the operator to control the many factors which influence the loss experience.

Owners of fleets of less than five cars which are not covered by the engineering department can be given special pamphlets which are available, outlining suggestions for safe operation of fleets. In most cases these are sufficient as the management is able to keep in close touch with the drivers where there are only a few.

After the fleet operator is contacted the safety engineers carefully check all

ment to the territory is considered and when the equipment is not suited to the uses to which it is put, suggestions for corrections are made where there is likely to be unusual wear and tear and breakdown and more likelihood of accidents. Oftentimes the management can secure the elimination of hazardous road conditions by taking the matter up with local, county or state authorities.

### Complete Inspection Report

In making vehicle inspections a complete report is filled out covering the tires, their air pressure, the condition of and the attention needed on the brakes, steering gear, wheel alignment, lights, horn, rear view mirror, windshield wiper, engine, battery, body, chassis and the various miscellaneous items such as fire extinguishers, spare light

(CONTINUED ON PAGE 24)

## AFTER THE ACCIDENT ...WHAT



If you are liable for claims as the result of an automobile accident, drastic measures are taken to press payment. If cash isn't handy, your salary may be attached . . . your savings

used up . . . your home and investments sold for what they will bring . . . your license taken away . . .

But the autoist who is adequately protected with an American Surety or New York Casualty policy is safe from loss. If he is liable, the Company will pay claims in full, up to the amount for which the policy is written.

The financial standing of these Companies is ample evidence, throughout the United States and Canada, that the insured is "financially responsible".

PREVENT-  
DO NOT  
LAMENT  
LOSS!

**AMERICAN SURETY**  
COMPANY  
**NEW YORK CASUALTY**  
COMPANY

HOME OFFICES: NEW YORK

Both Companies write Fidelity, Forgery and Surety Bonds and Casualty Insurance

## FROM THE LAND OF SUNSHINE AND ORANGES

An organization with more than ten years' unexcelled service to policyholders.

### NATIONWIDE CLAIM SERVICE

## AMERICAN Fire and Casualty Company

Walter L. Hays, President

Home Office



A Stock Company

Orlando, Fla.



# Mutual Auto Premiums Show Increase for '38

Total automobile premiums, both fire and casualty lines, of mutuals in 1938 amounted to \$120,605,503, an increase of \$7,873,230, or 6.9 percent. Every effort has been made to make the list as complete as possible, but because of the large number of companies in the mutual classification, including a large number of small local concerns, it is virtually impossible to get an absolutely final determination.

Among the companies on this year's list that have not appeared in a table before are Farm Bureau Mutual of Indiana, Farm Bureau Mutual of Kansas, Hutchins Mutual of Washington, D. C.

Lumbermen's Mutual Casualty stands well in first position again with premiums of \$16,277,864, an increase of 1.7 percent. State Farm Mutual has increased its grip on second place with a premium gain of 19.5 percent and 1938

## TEN MUTUAL AUTOMOBILE LEADERS

	1938		1937		Inc. or Dec. in %	
	Net Prem.	Paid Losses	Net Prem.	Paid Losses	Prem.	Change
1. Lumb. Mut. Cas., Ill.	\$16,277,864	\$6,078,112	\$15,991,168	\$5,934,429	+\$286,696	+1.7
2. State Farm Mut., Ill.	13,037,655	5,934,429	10,924,057	4,232,530	+2,113,598	+19.5
3. Liberty Mut., Mass.	11,591,345	4,839,687	10,787,740	3,940,466	+803,605	+7.4
4. Hardware Mut. Cas., Wis.	7,220,887	2,712,942	6,900,372	2,222,343	+320,515	+4.6
5. Farm Bur. M. Au., O.	5,999,814	2,222,343	4,165,370	1,764,864	+1,834,444	+44.0
6. State Auto, O.	4,122,675	1,764,864	4,232,530	1,574,688	-119,855	-2.8
7. Amer. M. Liab., Mass.	4,074,987	1,574,688	3,940,466	1,249,091	+134,501	+3.4
8. Utica Mut., N. Y.	3,312,353	1,249,091	2,918,190	885,812	+394,163	+13.5
9. Fact. M. Liab., R. I.	3,053,177	885,812	3,231,845	1,299,300	-178,668	-5.5
10. Merch. M. Cas., N. Y.	2,796,864	1,299,300	2,620,547		+176,317	+6.7

net premiums written of \$13,037,655.

Liberty Mutual, the principal direct writing mutual, continues in third position with premiums of \$11,591,345, a gain of 7.4 percent. Hardware Mutual Casualty, gaining 4.6 percent in pre-

miums, remains in fourth position, its 1938 writings amounting to \$7,220,887. Farm Bureau Mutual Auto of Ohio and State Auto of Ohio change places in 1938 ranking. Farm Bureau Mutual goes into No. 5 position with a handsome gain of 44 percent in premiums and State Auto, which was in fifth position last year, dropped to No. 6 with a loss of 2.8 percent in premiums. American Mutual Liability retains its No. 7 standing with a gain of 3.4 percent, its 1938 premiums being \$4,074,987. Utica Mutual takes the No. 8 niche, passing Factory Mutual Liability. Utica Mutual made a gain of 13.5 percent and its 1938 premiums were \$3,312,353. Factory Mutual Liability had a loss of 5.5 percent in premiums and is in ninth position. Merchants Mutual Casualty continues to stand No. 10 with premiums of \$2,796,864, a gain of 6.7 percent.

	1938				1937				1936			
	Net Prem.	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.	Net Prem.	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.	Net Prem.	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.
Ablington Mut., Ill.	25,652	10,506	40.9	+6,370	18,197	5,016	27.5	+3,314	14,883	4,142	27.5	+3,314
Ace Mutual, Ia.	89,798	53,281	59.3	-30,504	12,197	1,010	8.3	+11,187	1,010	1,010	100.0	0.0
Alliance Co-op., Kan.	570	27	4.7	+22,850	2,205	1,525	69.2	+680	1,525	1,525	100.0	0.0
Alliance Mut. Cas., Ill.	67,272	16,483	24.5	+22,850	2,205	1,525	69.2	+680	1,525	1,525	100.0	0.0
Allied Amer., Mass.	444,461	115,927	26.0	+62,630	308,843	71,485	23.1	+137,358	308,843	71,485	23.1	+137,358
Allied Mut. Auto, Ia.	602,269	182,455	30.2	+100,660	52,352	14,732	28.1	+37,620	52,352	14,732	28.1	+37,620
Allied Mut. Mo.	12,357	16,958	137.2	-14,282	-846	1,410	113.6	-15,698	-846	1,410	164.3	-15,698
Amal. Mu. Au., N. Y.	386,728	177,666	45.9	-18,876	386,728	177,666	45.9	0.0	386,728	177,666	45.9	0.0
Am. Farm. M. A. Ia.	116,484	19,244	16.5	+19,935	12,768	650	5.1	+12,118	12,768	650	5.1	+12,118
Am. Farm. Mut., Minn.	177,656	76,494	43.0	+35,688	20,177	2,726	13.5	+17,451	20,177	2,726	13.5	+17,451
Amer. Mut., Ia.	—43	461	—	—43	461	—	—	—43	461	—	—	—43
Amer. M. Liab., Mass.	4,074,987	1,574,688	38.6	+134,501	3,273,064	1,274,104	38.9	+799,960	3,273,064	1,274,104	38.9	+799,960
Assoc. Merch. Mut., Ill.	—	—	—	+29,155	—	—	—	+29,155	—	—	—	+29,155
Atlantic Mut., Ga.	94,464	25,510	27.0	+1,115	4,778	73	1.5	+4,705	4,778	73	1.5	+4,705
Atlantic Mut., N. Y.	6,142	73	1.1	+1,788	—	—	—	+1,788	—	—	—	+1,788
Austin Mut., Ill.	9,545	3,543	37.1	+1,788	—	—	—	+1,788	—	—	—	+1,788
Auto Mut., R. I.	622,000	236,430	38.0	-3,332	622,000	236,430	38.0	0.0	622,000	236,430	38.0	0.0
Auto Own. Ins., Mich.	2,510,461	843,176	33.5	+101,182	300,386	85,222	28.4	+215,164	300,386	85,222	28.4	+215,164
Badger St. Cas., Wis.	59,339	20,946	35.2	+3,284	4,811	1,059	22.0	+3,752	4,811	1,059	22.0	+3,752
Beacon Mu. Ind., O.	212,241	82,785	39.0	+8,684	30,464	6,650	21.8	+23,814	30,464	6,650	21.8	+23,814
Berkshire Mut. Fire	120,881	50,808	42.0	+5,707	—	—	—	+5,707	—	—	—	+5,707
Butchers Mut. Cas., Ill.	67,230	8,240	12.2	+38,108	—	—	—	+38,108	—	—	—	+38,108
Cambridge Mut., Ill.	110,845	43,212	38.9	+17,273	—	—	—	+17,273	—	—	—	+17,273
†Canton Mut. Liab.	—	—	—	—	—	—	—	—	—	—	—	—
Capital, Neb.	79,580	22,631	28.4	+17,672	16,629	3,091	18.6	+13,538	16,629	3,091	18.6	+13,538
Carpenters Mut., Pa.	4,195	3,221	76.7	+1,641	1,745	1,318	75.5	+427	1,745	1,318	75.5	+427
Cas. Mut., Ill.	—1,430	31,886	—	-238	1,009	-855	-85.5	-238	1,009	-855	-85.5	-238
Celina Mut. Cas., O.	698,317	277,350	39.7	+80,325	64,417	13,983	21.7	+50,434	64,417	13,983	21.7	+50,434
Cent. Mfrs. Mut., O.	753,180	266,354	35.3	-14,416	310,118	72,768	23.5	+237,350	310,118	72,768	23.5	+237,350
Cent. Mut. Cas., Mo.	221,186	110,021	49.7	+41,977	46,209	19,686	42.6	+26,523	46,209	19,686	42.6	+26,523
Cent. States Mut., Ia.	86,692	28,178	32.5	+5,884	16,997	5,263	30.9	+11,734	16,997	5,263	30.9	+11,734
Checker M. A., Mich.	130,046	46,407	35.6	-3,968	7,740	959	12.4	+6,781	7,740	959	12.4	+6,781
Cheese Makers Mut., Ill.	8,919	6,152	68.9	+914	—	—	—	+914	—	—	—	+914
Chemical Mut., N. Y.	4,314	2,377	55.0	+1,268	2,785	1,415	50.8	+1,370	2,785	1,415	50.8	+1,370
Chl. Ice P. M., Ill.	41,711	21,906	52.5	+3,976	—	—	—	+3,976	—	—	—	+3,976
Citizens Fund., Minn.	39,267	12,068	30.7	+8,100	—	—	—	+8,100	—	—	—	+8,100
Citizens Mut., Mass.	38,001	13,890	36.5	-2	—	—	—	-2	—	—	—	-2
City Mut. Fire, Pa.	—5,349	19,213	—	—	—	—	—	—	—	—	—	—
Cit. Mut. Auto, Mich.	1,065,537	446,626	41.9	-46,684	124,811	27,840	22.3	+96,971	124,811	27,840	22.3	+96,971
Coml. Mut., O.	75,778	109,084	143.9	—	75,778	109,084	143.9	0.0	75,778	109,084	143.9	0.0
Contl. Au. Mut., O.	20,882	9,629	46.1	-4,274	2,222	122	5.5	-4,152	2,222	122	5.5	-4,152
Cook Co. Farm., Ill.	40,964	14,396	35.0	+4,153	4,959	141	2.8	+4,818	4,959	141	2.8	+4,818
Cooperative Ins., Wis.	81,063	22,434	27.6	+31,826	7,729	504	6.5	+7,225	7,729	504	6.5	+7,225
Donegal & C. M., Pa.	28,986	11,050	38.1	+10,569	14,244	3,614	25.4	+10,630	14,244	3,614	25.4	+10,630
Dorchester Mut., Ill.	10,070	4,180	41.5	+2,258	—	—	—	+2,258	—	—	—	+2,258
Druggists Mut., Ia.	4,385	1,290	29.4	+525	—	—	—	+525	—	—	—	+525
Eastern Mut., Mass.	220,688	134,474	60.9	-32,998	—	—	—	-32,998	—	—	—	-32,998
East. Mut. Cas., Md.	317,376	182,707	57.5	+110,098	570	—	—	+110,098	570	—	—	+110,098
Egyptian Mut., Ill.	8,608	12,635	146.7	-16,153	3,232	7,822	241.7	-16,153	3,232	7,822	241.7	-16,153
Elec. Mut. Liab.	48,002	90,684	188.9	-111,645	—	—	—	-111,645	—	—	—	-111,645
Empire Mut., Ill.	108,414	37,415	34.5	+13,819	5,014	951	19.0	+12,868	5,014	951	19.0	+12,868
†Empire M. C., N. Y.	460,224	182,621	39.6	+62,307	—	—	—	+62,307	—	—	—	+62,307
Empl. Mut. Cas., Ia.	1,095,036	712,300	64.9	+189,463	162,053	50,889	31.4	+131,164	162,053	50,889	31.4	+131,164
Empl. Mut. F., Wis.	123,142	30,273	24.5	+51,356	—	—	—	+51,356	—	—	—	+51,356
Empl. M. Liab., Wis.	1,753,538	781,078	44.5	+137,944	22,218	2,279	10.3	+199,715	22,218	2,279	10.3	+199,715
Equity Mut., Mo.	298,855	154,815	51.8	+42,171	—	—	—	+42,171	—	—	—	+42,171
Exch. M. Ind., N. Y.	429,670	189,487	44.1	+51,810	—	—	—	+51,810	—	—	—	+51,810
Fact. M. Liab., R. I.	3,053,177	885,812	29.0	-178,668	14,582	11,392	78.1	-178,668	14,582	11,392	78.1	-178,668
Farmers All., Kan.	27,221	18,394	67.5	+7,976	—	—	—	+7,976	—	—	—	+7,976
Farm Bur. Mut., Ind.	283,567	116,956	41.2	+80,510	34,718	3,836	11.0	+80,510	34,718	3,836	11.0	+80,510
Farm Bur. M. Au. O.	5,999,814	2,222,343	37.0	+1,834,444	173,402	24,946	14.4	+1,809,458	173,402	24,946	14.4	+1,809,458

(CONTINUED ON NEXT PAGE)

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	1938				1937				1936							
	Total Net Prem.	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.	Net Prem.	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.	Total Net Prem.	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.	Total Net Prem.	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.
Farm Bur. M. F. O.	213,974	35,870	16.7	+191,736	.....	.....	.....	.....	22,338	3,724	16.7	.....	.....	.....	.....	.....
Farm. Bur. M., N. H.	100,396	95,357	59.9	-12,316	.....	.....	.....	.....	172,712	99,842	57.8	+80,248	92,464	.....	.....	.....
Farm Bur. M., Kan.	19,202	1,580	8.2	.....	2,434	6,873	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Farm M. Au., Wis.	1,100,207	447,025	40.6	+120,361	87,581	14,539	750,337	290,784	191,372	101,089	70,517	40,813	979,848	456,555	46.5	+123,957
Farm. M. Hall A., Ia.	254,899	144,000	56.4	-24,554	40,630	9,709	114,737	78,256	53,996	21,114	41,248	31,466	279,453	137,970	49.3	+5,327
Farm M. Liab., Ind.	224,861	110,886	49.3	+68,558	28,377	3,840	81,061	43,391	48,702	14,822	65,831	48,933	160,338	104,979	60.7	+31,509
Farm. Un. M. A., Ia.	153,088	27,525	24.5	+19,877	27,539	3,580	66,969	21,159	41,843	7,367	16,737	5,419	133,211	26,745	20.1	+28,341
Federal Mut., Mass.	189,294	59,250	31.3	+13,424	135,834	.....	.....	.....	47	.....	53,409	.....	175,870	41,151	23.5	+44,349
Fidelity Mut., Ind.	66,727	26,489	39.6	+17,337	.....	.....	.....	.....	.....	.....	.....	.....	49,390	9,423	19.0	+45,383
Fitchburg M., Mass.	93,185	28,601	30.6	+8,012	55,125	6,335	.....	.....	4,300	1,267	33,666	12,595	85,173	29,346	34.4	+9,104
Frankenmuth, Mich.	268,718	146,014	54.1	+24,267	30,486	6,597	94,642	54,100	37,374	21,185	85,779	59,799	244,451	148,596	59.9	+67,693
Glen Cove Mut., N. Y.	51,043	15,166	29.5	+11,340	28,794	.....	.....	.....	7	.....	22,240	.....	39,703	11,421	28.7	+13,403
Globe Mut., Mo.	65,054	23,673	38.1	+12,515	30,101	7,990	.....	.....	.....	.....	31,653	15,883	49,539	20,089	40.5	+3,526
Goodville M. C., Pa.	111,942	16,940	15.1	+9,718	.....	.....	64,661	8,018	47,277	8,921	.....	.....	102,224	18,861	18.4	+4,463
Grange Mut. Cas. O.	190,924	141,306	74.0	+44,324	18,001	4,326	75,109	78,398	44,205	21,740	53,009	33,842	146,600	104,669	71.3	+47,123
Gr. D. Nat. M., Ind.	247,998	274,621	109.8	-304,486	124,381	76,356	.....	.....	953	104	126,854	197,215	532,484	210,410	38.0	+320,925
Green Mt. Mut., Vt.	19,053	8,590	45.5	+2,013	11,846	3,823	.....	.....	30	.....	7,185	4,475	17,040	9,318	54.8	+2,980
Hamshire Mut., Vt.	11,875	8,590	55.4	+2,146	.....	.....	.....	.....	.....	.....	.....	.....	9,729	2,223	22.8	-858
Hdwe. Dirs., Wis.	768,467	196,431	25.5	+471,738	660,983	131,362	.....	.....	.....	.....	107,184	65,069	296,729	63,016	21.2	+35,130
Hdw. Mut. Cas., Wis.	1,220,887	2,712,942	27.5	+320,515	.....	.....	5,099,408	1,900,002	1,513,811	512,781	617,668	300,159	6,900,372	2,633,295	38.1	+1,085,133
Hdw. M. Fire, Minn.	329,274	48,513	36.5	+1,187	.....	.....	.....	.....	.....	.....	.....	.....	301,087	87,398	29.0	+15,332
Harleyville Mut., Pa.	1,805,140	731,265	40.5	+52,635	12,142	5,111	1,284,825	499,873	558,772	226,711	.....	.....	1,755,511	678,075	38.6	+298,314
Highway Mut. Cas.	-1,714	1,724	.....	-42	86	.....	1,433	1,172	389	619	140	.....	.....	.....	.....	.....
Holyoke Mut., Mass.	148,953	56,190	37.7	+15,698	25,293	8,764	66,061	28,259	6,727	2,007	50,872	19,160	133,253	38,881	29.1	+13,528
Home M. B. C., N. Y.	51,422	13,968	27.1	+34,833	.....	.....	.....	.....	.....	.....	.....	.....	16,580	6,694	40.8	+8,419
Home M. Cas., Wis.	152,468	48,020	31.4	+34,879	12,616	1,786	98,963	33,413	35,532	10,221	5,215	2,800	117,588	47,986	40.8	.....
Home M. Ins. A., Ia.	753,169	275,302	36.5	+51,706	81,675	20,579	436,709	134,524	138,668	73,320	70,691	45,525	701,463	278,304	39.6	+93,691
Hutchins Mut., D. C.	110,023	5,665	4.5	.....	65,825	2,487	48,883	3,077	.....	.....	314	.....	.....	.....	.....	.....
Ill. Agr. Mut., Ill.	1,389,635	689,391	49.6	+408,377	200,073	37,128	463,005	164,328	199,559	95,198	492,895	382,061	981,258	612,765	62.4	+39,441
Illinois Mut. F.	1,263	1,258	99.4	-1,369	.....	.....	.....	.....	.....	.....	.....	.....	2,634	736	27.9	+1,309
Impl. Dirs., N. Dak.	17,578	13,983	79.6	-20,014	.....	.....	.....	.....	.....	.....	.....	.....	37,592	18,951	50.4	-3,608
Indiana Lumb. Mut.	149,187	59,375	39.7	-5,390	.....	.....	.....	.....	.....	.....	.....	.....	154,577	46,987	30.3	+36,714
Indus. M. L. Kan.	58,785	5,003	9.3	.....	3,035	281	32,342	2,987	15,506	1,374	2,902	361	.....	.....	.....	.....
Inland Mut. W. Va.	156,909	15,736	11.6	+103,519	7,465	1,526	82,891	7,219	34,981	5,661	4,330	1,327	26,150	357	1.3	.....
Interboro Mut., N. Y.	1,001,426	360,212	35.9	-70,682	.....	.....	800,282	291,592	301,144	68,620	.....	.....	1,072,108	346,444	32.3	+150,115
Iowa Hdwe. Mut.	26,449	12,762	48.2	+3,686	12,764	5,732	.....	.....	.....	.....	.....	.....	22,763	12,213	53.6	+4,084
Iowa Mut. DeWitt	242,225	5,527	34.3	.....	10,258	3,527	.....	.....	.....	.....	.....	.....	11,081	4,500	40.9	-2,321
Ia. Mut. Cas., DeWitt	242,225	84,511	34.8	+30,349	30,719	8,884	119,225	35,070	20,625	40,760	20,032	21,876	70,771	33.4	+39,911	
Iowa Mut. Liab.	1,051,978	400,333	38.0	+115,260	152,569	48,750	525,015	190,399	218,317	85,869	156,077	75,315	936,718	347,115	37.0	+174,419
Jamestown M., N. Y.	836,162	275,377	32.9	+101,535	.....	.....	642,027	200,678	185,459	70,054	10,976	4,645	734,927	193,819	26.3	+153,533
Keystone M. Cas., Pa.	311,413	67,321	21.6	+128,371	.....	.....	218,900	38,588	80,572	26,388	2,941	2,345	183,042	29,921	16.3	+126,412
Lake Shore Mut., Ill.	373,428	204,340	54.4	-114,540	.....	.....	359,890	285,702	13,602	18,638	.....	.....	487,964	401,329	82.2	+50,845
LeMars Mut., S. D.	17,328	5,043	29.1	+2,776	5,453	.....	3,484	1,406	1,320	.....	3,747	.....	10,047	3,618	36.6	.....
LeMars Mut., Ia.	71,971	20,506	28.4	+23,733	11,369	1,722	32,746	8,673	19,397	6,193	8,337	3,748	48,338	13,168	27.2	+9,383
Liberty Mut., Mass.	11,591,945	4,839,687	41.7	+803,605	.....	.....	9,076,770	3,831,283	2,314,833	897,421	199,734	111,003	10,787,740	4,662,245	43.2	+1,000,453
Lincoln Mut. Cas.	234,922	82,366	35.0	+45,394	29,906	8,476	91,701	48,460	96,847	17,506	16,469	7,925	280,316	105,968	37.8	+53,091
Lumb. Mut. Indem.	27,830	11,594	41.6	-4,598	3,817	183	13,083	7,588	7,852	2,234	3,078	1,435	32,428	5,615	17.3	+297
Luitz Agr. M. P., Pa.	19,432	6,288	32.3	-8,085	19,442	6,288	.....	.....	.....	.....	.....	.....	27,527	5,717	20.7	+23,003
Lowell Mut., Mass.	30,642	15,171	49.5	-7,370	.....	.....	.....	.....	.....	.....	.....	.....	38,012	10,675	28.0	+10,407
Lbrmen Mut. C., Ill.	16,277,864	6,078,112	37.3	+286,696	.....	.....	12,480,408	4,809,950	3,541,011	1,152,560	256,445	115,602	15,991,168	5,968,098	37.3	+1,503,789
Lumb. M. Cas., N. Y.	195,979	57,037	29.1	-712	.....	.....	146,628	39,222	45,791	17,240	3,560	575	196,691	61,221	31.1	+34,759
Lumb. Mut., Mass.	33,765	28,615	84.7	-4,127	33,765	28,615	.....	.....	.....	.....	.....	.....	37,892	11,875	31.3	+8,422
Lumb. Mut. O.	255,281	98,068	38.4	-13,366	150,301	45,601	.....	.....	.....	.....	.....	.....	268,647	109,393	40.7	+29,914
Lynn Mut., Mass.	38,001	13,890	36.5	-2	.....	.....	.....	.....	4,064	2,497	100,914	49,967	38,003	11,109	29.2	+3,848
Madison Co., Ill.	142,883	90,856	63.5	+6,349	20,941	3,779	39,043	23,586	17,380	8,326	65,518	55,164	136,534	84,374	61.7	+18,341
Maine Mut. Auto.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	36,165	31,989	88.4	-10,248
Manh. Mut. Auto. Corp.	1,312,409	537,326	40.9	+446,986	.....	.....	1,072,112	450,562	239,387	86,762	.....	.....	864,513	409,790	47.4	-3,444
Mfrs. & Mer., N. H.	23,315	8,334	35.7	+4,126	.....	.....	.....	.....	.....	.....	.....	.....	19,189	2,223	11.5	+2,801
Mayflower Mut. O.	3,070	302	9.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	299	.....	.....	.....
Merch. & Far., Mass.	36,910	16,226	43.9	+6,780	21,731	.....	.....	.....	545	.....	14,610	.....	30,130	9,362	31.0	+5,405
Merch. & Far., Minn.	48,990	11,444	23.3	+17,417	7,383	1,097	25,665	4,908	10,621	2,472	5,329	2,967	31,573	3,433	10.8	+18,765
Mer. & Mfrs. Mu. O.	16,989	10,110	59.5	+3,889	7,281	2,652	.....	.....	.....	.....	.....	.....	13,106	8,354	63.7	-5,556
Merch. M. Cas., N. Y.	2,796,864	1,299,390	46.4	+176,317	.....	.....	2,187,366	1,099,560	579,500	185,939	29,998	14,001	2,620,547	1,236,742	49.1	-49,012
Merrimack Mut. ....	248,430	94,559	38.0	-10,713	.....	.....	.....	.....	.....	.....	.....	.....	248,430	94,559	38.4	+2,880
Mich. Millers Mut.	73,845	26,440	35.8	+17,046	.....	.....	.....	.....	.....	.....	.....	.....	56,799	26,971	47.4	+18,780
Mich. Mut. Auto.	197,065	91,183	46.2	-78,008	18,171	4,605	91,646	32,747	51,628	25,558	35,620	28,273	275,073	108,795	39.5	+141,881
Mich. Mut. Liab.	2,233,087	870,359	38.9	+208,373	233,895	75,871	1,075,327	314,325	442,702	188,560	481,263	291,603	2,024,714	998,246	49.3	+234,212
Mich. Shoe Dealers.	553	79	14.2	-17	.....	.....	.....	.....	.....	.....	.....	.....	570	8	1.5	.....
Middlesex Mut., Mass.	186,887	70,081	37.5	+5,232	.....	.....	.....	.....	.....	.....	.....	.....	181,453	54,005	29.7	+21,588
Midland Mut., Ia.	54,420	16,497	30.3	+9,309	10,451	5,869	20,057	3,641	12,720	3,879	11,192	3,108	45,111	4,188	8.9	.....
Midld. Mut., F., Kan.	2,666	863	32.3	.....	703	30	.....	.....	.....	.....	.....	.....	1,962	832	.....	.....
Mid-Western Cas., Ia.	69,862	22,119	31.6	+34,569	20,074	5,750	17,975	5,611	12,302	3,463	19,511	7,295	35,293	16,448	46.6	-3,051
M. Millers Mut. Fire, Ill.	93,073	27,419	29.4	+38,782	46,762	11,601</										

(CONTINUED ON NEXT PAGE)

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	1938					1937					1936						
	Total	Net	Paid	Loss	Inc. or Dec.	Total	Net	Paid	Loss	Inc. or Dec.	Total	Net	Paid	Loss	Inc. or Dec.		
	Prem.	Losses	Ratio	%	in Prem.	Prem.	Losses	Ratio	%	in Prem.	Prem.	Losses	Ratio	%	in Prem.		
Mill Owners, Ia.	4,555	878	19.2		+23	4,555	878				4,332	553	12.2		+570		
Milwaukee Auto.	888,879	394,678	44.4		+15,225	69,843	13,630	591,749	285,875	202,008	80,984	25,219	14,189	873,654	373,391	42.7	+79,212
Minn. Farm, Mu. Cas.	132,193	54,312	41.0		+11,656	24,560	4,901	54,973	26,107	22,553	8,387	30,995	14,916	120,537	70,386	58.3	-6,610
Minn. Impl. Mut. F.	335,236	95,566	28.5		+24,261									310,975	75,567	24.3	+32,534
Missouri Cas.	39,812	13,626	34.2		+4,488	3,447	791	23,301	10,523	11,650	1,767	1,364	510	35,324	13,602	38.5	+3,756
Monarch Mut. Ia.	11,289	3,138	27.7		+4,691	1,740	111	4,532	1,984	2,042	148	2,075	895	6,328	830	12.7	
Motor Car, Mut. Ia.	38,601	10,492	27.1		-18,116	104	5	23,102	6,916	15,322	3,440	72	131	56,717	20,306	35.7	+9,804
Motorists Mutual	703,893	297,376	42.3		+68,908	80,637	17,398	355,602	147,528	158,966	73,126	108,481	59,324	649,097	274,272	41.9	+148,084
Mt. Joy Twp. Mut. F.	1,072	4,274	398.6		-767									1,769			+1,590
Mut. A. Herman, Wis.	181,186	67,257	51.2		+21,242	9,123	647	80,814	48,646	36,213	16,262	5,035	2,700	109,944	42,598	38.7	+31,689
Mu. A. F. Harleysville	74,842	10,612	14.1		+24,802	74,842	10,612							50,040	6,436	12.8	+5,997
Mut. Cas. of N. Y.	18,825	4,031	21.4		-1,419			14,571	2,271	4,254	1,760			20,274	11,992	59.1	+3,148
Mut. F. Bel Air, Md.	140,892	127,008	90.1		-36,046									176,938	109,100	61.6	+81,402
Mut. Fire, Me.	49,401	20,803	42.1		+10,009									39,392	12,623	32.0	+12,906
Mut. F., Reading, Pa.	2,033	1,089	53.5														1,280
Mut. Fire & Tor., Ia.	63,255	13,575	21.4		+16,249	10,944	2,592	26,668	2,337	13,950	3,710	11,693	4,936	47,006	19,588	41.6	+14,619
Natl. Grange M., N. H.	1,498,305	471,216	31.4		+179,356			1,092,203	362,100	369,505	94,745	36,597	14,370	1,318,949	361,971	27.4	+332,359
Natl. Mut. Cas., Okla.	393,465	44,921	11.4		+340,093			274,548	28,765	118,917	16,156			53,372	21,126	39.5	+27,345
Natl. Mut., D. C.	285,335	129,696	45.4		-16,334	336	17	204,140	103,756	80,547	25,546	312	377	301,660	137,957	45.7	-11,913
Natl. Mut. Church, Ill.	3,657	1,617	44.2		+113	1,902	596					1,755	1,021	3,539	553	15.6	+706
Natl. Mut., O.	1,567	2,814	179.5		-24,095									25,662	9,047	35.2	+2,396
Natl. Mu. Assur., Pa.	95,612	51,948															
Natl. Petroleum Mut.	7,419	3,489	47.0		+5,447									1,972	604	30.6	
Natl. Retail Mut., Ill.	960,605	237,345	24.7		+318,836									641,769	151,254	23.5	+141,099
Natl. Und. Mu., D. C.	16,280	6,205	38.1		-2,539	15,152	4,788					1,127	1,416	18,819	4,986	26.2	+6,985
New Castle, Del.	2,704	430	15.9		+428									2,276	458	18.2	+466
N. Y. Cent. Mut.	65,905	26,735	40.5		+7,070	31,823	7,206			151	-96	33,931	19,625	58,835	23,386	39.7	+20,447
N.Y. Print & Bkbs. M.	1,584							1,307						277			
N. W. Mut., Wash.	849,664	349,512	41.1		-31,435	331,265	97,779			171,100	62,556	347,295	189,175	881,099	342,088	38.8	+207,226
Norfolk M. F., Mass.	3,687	130	3.5														
North Cent. Mut., Ia.	110,497	54,058	48.9		-25,018	13,437	2,592	32,255	1,578	18,985	5,217	47,619	44,670	135,515	38,003	28.0	+113,311
Ohio Hdw. Mut.	115,841	46,003	39.7		+33,642	72,088	13,782					43,731	32,219	82,199	51,274	62.3	+24,821
Ohio Und. Mut.	33,962	16,064	45.5		+8,033	14,798	3,377					17,887	10,434	55,029	10,255	18.5	+8,631
Oneida Co-Op., N. Y.	1,330	561	42.1		-457	704	104					826	460	1,787	1,032	57.8	
Oregon Mut.	237,678	92,937	39.1		+68,680	84,014	23,318					153,663	69,619	168,908	60,478	35.7	+78,778
Oregon Mut., N. Y.	8,063	3,066	38.0		+2,166	4,806	1,227					3,256	1,839	5,907	2,767	46.8	+2,099
Patrons Mut. Cas.	3,390	861	25.3					3,390	861								
Penn. Mut. Fire.	283,445	143,319	50.5		+30,131	143,031	66,578			5,062	2,562	184,422	74,179	253,314	58,188	23.8	+54,974
Pa. Lumb. Mut.	124,249	80,036	64.4		-72,138									196,387	113,642	57.8	+57,261
Penn. Mut. Fire.	6,602	3,279	49.6		+3,964	3,174	1,025					3,428	2,254	2,638	273	10.3	
Pa. Thr. & Far., M. C.	890,483	437,546	49.1		+63,921			633,461	295,758	257,022	141,788			826,562	379,275	45.8	+110,892
Phenix Mut., N. H.	18,632	6,667	35.7		+3,301									15,351	1,778	11.5	+2,241
Pioneer Co-Op., N. Y.	17,462	7,537	43.1		+7,884	8,844	3,259					8,617	4,277	9,578	4,420	46.1	+956
Polychol. Mu. Cas., Ia.	55,052	13,644	24.7		+21,175	7,417	840	21,992	4,969	18,123	4,378	7,120	3,455	33,877	11,633	34.3	+15,236
Postal Mu. Ind., Tex.	15,048	575	3.8					8,708		4,005	368	2,335	207				
Preferred Mut., N. Y.	95,595	39,410	41.2		+5,421	45,537	8,386			980	972	49,078	30,062	90,174	42,970	47.6	+32,459
Progress, Mu. Au., Ia.	10,899	5,240	48.0		+9,651	1,695	358	3,710	2,706	3,280	1,189	1,354	853	1,248	1,347	107.9	
Protective Fire	3,186	711	22.3		+588	3,186	711							2,598	372	14.3	+1,598
Pub. S. M. Cas., N. Y.	678,884	392,167	57.7		-305,990			672,445	391,443	6,436	723			984,874	561,433	57.0	+198,058
Quincy Mut.	151,368	54,092	35.7		+26,380									124,988	33,921	27.1	+28,032
Reserve Mut. Cas., Mo.	22,009	5,030	22.8		+227									21,782	3,244	14.8	+9,785
R. I. Mut. Liab.														103,908	15,360	14.7	+9,703
St. Marys Mu., F. Pa.	22,265	5,619	19.2		-281												
Salem Mut., Mass.	3,348	2,087	62.3		-281									3,629	746	20.5	+508
Savings M. Cas., Ill.	190,852	56,487	29.5		+136,169	7,966	1,549	154,193	40,762	16,743	7,316	11,947	6,857	54,383	9,519	17.5	+44,453
Seaboard M. Cas., Pa.	57,369	28,212	49.1		+3,128			41,436	21,153	15,933	7,069			54,241	15,837	29.1	+16,735
Security M. Cas., Ill.	489,847	134,156	27.3		-55,819			434,441	123,666	55,072	10,490	334		545,666	203,250	37.2	+62,262
Service Mut., Tex.	114,732	58,273	50.7		+60,433	44,621	18,945	15,484	8,737	8,320	2,028	46,297	28,563	54,280	35,239	64.9	+216,195
Serv. Mu. Lia., Mass.	286,077	197,887	69.1		+71,738			211,515	166,668	74,562	31,219			214,339	142,590	66.5	+43,986
Shawnee Mut.	209,418	124,542			-79,564	26,858						-129,854	97,685	417,081	277,280	66.4	
Shelby M.P.I.Gl. & Cas.	760,215	337,692	44.4		-1,843			537,906	245,719	220,919	91,112	1,390	861	762,058	333,851	43.8	+88,348
Standard M. Cas., Ill.	134,454	75,813	55.9		+14,370	15,856	3,851	69,712	47,633	30,222	11,462	18,574	12,849	120,084	49,365	41.1	+20,860
*Stand. Reliance, Neb.	36,732	11,269	30.6		+9,835	7,612	3,050	18,120	4,614	6,770	1,829	4,227	1,773	26,897	10,596	39.3	+3,574
State Auto, O.	4,112,675	1,764,864	42.9		-119,855	491,697	118,214	2,125,076	953,767	889,424	394,733	675,136	294,978	4,232,530	1,787,492	42.1	+378,788
State Farm Mut., Ill.	13,037,655	5,934,429	45.5		+2,113,598	1,207,223	380,279	6,331,719	2,921,123	2,095,302	897,923	3,403,411	1,735,104	10,924,057	5,304,653	48.5	+784,889
State Farm, N. H.	4,663	1,666	35.7		+825					3,838					445	11.5	+561
State Merc. M. Pa.	49,780	5,682	11.4		+47,692	29,859	2,990					19,921	2,682	2,089	79		
Sterling Fire, N. Y.	8,942	6,675	74.6		+4,501	4,468	1,449					4,453	5,226	4,441	1,779	40.0	+1,253
Tomp. Co-Op., N. Y.	9,787	1,712	17.4		+4,096									5,691	2,620	44.2	+173
†Tower Mut., O. (Receivership)														318,087	141,505	44.4	+109,471
Trad. & Mech., Mass.	3,261	1,357	41.6														
Transport, M., Boston	119,034	86,862	72.9		+1,052			119,034	86,862					117,982	63,679	53.9	+2,694
Travelers Mut. Cas.	420,688	145,780	34.6		-17,852	14,679	5,853	251,087	81,479	140,116	46,830	14,888	11,618	438,540	178,721	40.7	+295,566
Under, Mut., Ind.	8,650	3,614	41.7		+4,227	2,765	1,669							4,433	583	13.1	
Union Fire, Neb.	164,134	56,024	34.1		+42,783	51,949	14,456	40,918	7,092	20,627	7,611	50,610	26,865	121,351	54,105	44.5	-3,978
Union Mut., Vt.	23,537	9,415	40.0			16,304	5,019					7,232	4,395				
United Mut.																	

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## Safe Driver Plan Possesses Appeal; Must Be Pushed

(CONTINUED FROM PAGE 13)

ments. Hundreds of thousands of these reprints were distributed.

While the cynical may observe that it means little for an agent to ask for free reprints, the bureau also sent out thousands of "mats" enabling agents to run under their own imprints local newspaper advertising concurrently with the national magazine advertising. The mats were distributed gratis, but the newspaper space was financed by the agents themselves, sometimes by individual agencies and sometimes by several local agents cooperating, as there were mats suitable for both types.

The extent to which the safe driver movement has caught on among agents and motorists is indicated by the proposals that have come in from many agents' groups to form local safe driver clubs sponsored by the local American Legion posts, Rotary clubs or other civic

organizations. Interest has also been manifest in having an emblem which the driver can exhibit in his car. The J. Walter Thompson agency, which is handling the advertising campaign, has got up some attractive samples of insignia to be shown on the windshield or rear window.

The Thompson agency got a good slant on the public's reaction when it sought testimonials for use in the advertising copy. Naturally, the individuals whose ecstatic faces adorn the advertisements represent only a few out of the many interviewed. However, the comments of all who were approached were spontaneous and genuinely enthusiastic. In fact, there was such a wealth of favorable responses that the final choice was made solely on the basis of which pictures were thought to be best suited to putting across the message.

It is significant and encouraging that all of those who were interviewed were enthusiastic about getting paid for safe driving and particularly that they were sufficiently interested to spread the word

among their friends. This readiness to look upon safe driving as something creditable and worthy of a little bragging may well be of real importance in making drivers safety-conscious. Safety work among commercial automobile fleets has shown what substantial results can be obtained by driving home the safety lesson.

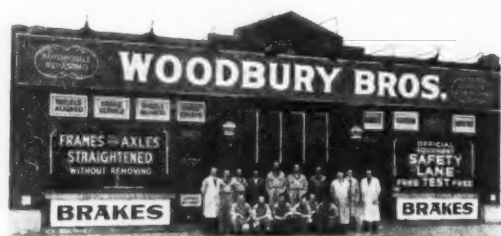
How much credit the safe driver reward plan can claim for the 8,000 drop in deaths due to automobiles last year is anybody's guess. After all, the plan was not in effect for a full year in many states and there were a number of other important factors contributing to the promotion of safety consciousness. However, safety organizations, such as the Greater New York Safety Council, are strongly in favor of the safe driver plan as helping conserve human life. They believe that the safe driver plan had a definite part in last year's improved highway death record.

Not only can safety motivation lessen the number of accidents where the insured driver is to blame but it can also

be instrumental in keeping him out of many accidents which would have really been the fault of the other operator. In almost every accident where two automobiles are involved, the collision could have been avoided if the less culpable driver had been a little more alert and cautious. Accidents avoided in this manner constitute a real insurance saving, as the driver who is to blame rarely fails to put in a claim for damages even if the insured car he ran into was not in the least at fault.

The relative merits of the safe driver plan and the New York preferred risk rating system have been much discussed, particularly just prior to the approval of the preferred risk plan by the New York department. Since New York, like Louisiana, New Hampshire, North Carolina, Oklahoma, and Virginia, is a regulated state, it was necessary that any plan approved by the department should apply to all companies. The safe driver reward plan having been promoted as the bureau companies' project, the non-bureau carriers, both

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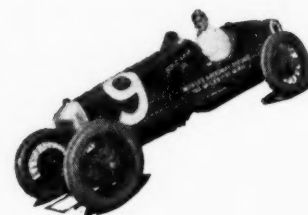
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stock and mutual, were determined to have no part of it.

The first New York proposal was for a continuation of existing rates and payment of only a 10 percent reward. This was opposed by the non-bureau stock companies. Most of them got together on a plan developed by J. J. Magrath of Chubb & Son, former chief of the New York department's rating bureau. With some modification this plan was eventually adopted.

The preferred risk rating plan grants the minimum rate to class A risks, which are defined as those not having any bodily injury claims nor more than one property damage claim paid or outstanding during the 21 month period beginning two years prior to the effective date of the policy. Class B risks are those having one bodily injury claim or one bodily injury claim and one property damage claim arising from the same accident, whether paid or outstanding in reserve. The rate for this class is the minimum plus 10 percent. Class C risks, those having two or more accidents,

either bodily injury or property damage, whether paid or outstanding in reserve, take the highest rate, which is the minimum plus 15 percent.

Adoption of the preferred risks plan was largely due to the fact that Mr. Magrath, who acted as spokesman for the groups, succeeded in convincing the department that it could not force a company to overcharge policyholders in order to pay back a reward for accident-free driving if it were possible to make a rate which would do the same thing by giving the saving in advance. He contended that the rating plan he proposed was just as sound as the bureau plan.

Granted that a proper rate can be arrived at under either plan, the question still remains as to which of the two systems is the better means of getting business—whether it is more effective sales psychology to give the discount for safe driving at the end of the policy period or as a discount at the beginning. Will the thrill of receiving a cash windfall at the end of the year be sufficiently enticing

to offset the fact that the insured must, at the beginning, pay the same rate as all other motorists driving the same make of car in his territory? On the other hand, is it possible that the preferred risk plan, by its lack of a cash reward feature, may prove ineffectual in motivating drivers toward greater safety consciousness?

Backers of the preferred risk principle hold that while the cash refund idea will work out satisfactorily where rates can be lowered sufficiently to avoid raising the initial rate to take care of the refund, this improvement in loss experience must eventually level off and from then on it will be necessary to load the indicated rate by about 13.2 percent in order to pay the 15 percent refund to those who have no accidents during the policy year.

Those who favor the preferred risk rating plan point out that while it works best in a state which is regulated, like New York, there is no reason why it could not be made to work in unregulated states. The objection to its use in unregulated states is that all the com-

panies—stock and mutual, bureau and non-bureau—could not be forced to exchange information on the driving record of those applying for insurance and that without facilities for checking, the plan would become a joke. It is argued, however, that the insurance departments in these states could readily insist on the companies cooperating and that this would prevent people getting the preferred rate who were not entitled to it.

While the clerical work involved in sending out safe driver reward checks to all those qualifying might appear to be an important item of expense, it has not worked out that way. Even fairly large companies are able to handle the extra work with a few additional clerks. At present there are 34 states and the District of Columbia in which companies are using the safe driver reward plan, so that as it is extended to additional states the extra burden will not be very much greater.

The mechanics of the plan are relatively simple. Thirty days after the ex-

(CONTINUED ON NEXT PAGE)

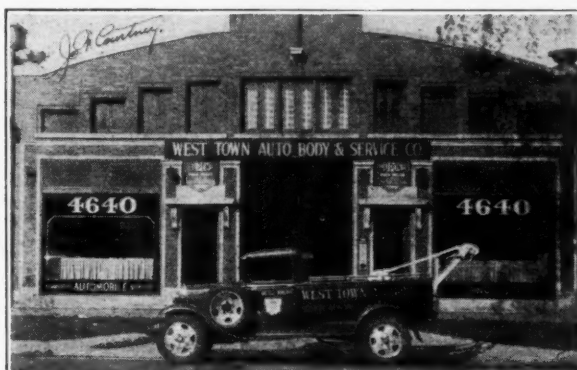
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**MARSH AUTO BODY & FENDER WORKS**



# RECIPROCAL AUTOMOBILE PREMIUMS IN 1938

	1938					1937					1936				
	Net	Total	Paid	Loss	Inc. or Dec.	Net	Total	Paid	Loss	Inc. or Dec.	Net	Total	Paid	Loss	Inc. or Dec.
	Prem.	Prem.	Losses	Ratio	in Prem.	Prem.	Prem.	Losses	Ratio	in Prem.	Prem.	Prem.	Losses	Ratio	in Prem.
Affiliated Und. ....	10,570	3,208	30.3	+6,617	2,572	987	5,710	1,895	2,388	326	3,933	912	23.1	.....	.....
Allied Under, Tex. ....	159,428	45,321	28.4	+67,939	12,578	14,644	99,006	13,753	36,547	5,456	103,997	12,347	13.4	.....	.....
Auto. Club, S. Calif. ....	2,985,579	1,375,217	46.0	+204,118	561,007	219,845	591,446	216,817	1,833,126	938,555	2,781,461	1,261,880	45.3	+363,933	2,417,528
Auto. Club, Mo. ....	689,950	248,332	35.9	+32,331	100,599	16,069	410,537	161,646	100,171	33,513	69,650	37,104	53.1	+63,753	593,866
Auto. Ind. Ex., Calif. ....	51,523	37,300	72.3	+3,507	.....	.....	.....	.....	100,171	33,513	69,650	37,104	53.1	+63,753	593,866
Berwind Exch., Pa. ....	5,024	889	17.6	-916	832	500	2,503	66	1,329	323	360	5,940	1,402	23.6	.....
Calif. Cas. Ind. Ex. ....	333,351	119,931	35.9	-26,903	30,334	3,797	203,903	69,531	47,651	22,047	51,463	24,556	360,254	105,926	29.4
Calif. St. Auto. As. ....	1,527,746	717,755	46.9	+174,496	290,612	66,217	323,193	131,339	913,939	520,199	1,353,250	649,649	48.0	+188,696	1,164,554
Cas. Rec. Ex., Mo. ....	1,311,872	604,754	46.0	-28,253	15,292	3,230	958,239	465,628	331,519	129,831	6,822	6,015	1,340,125	966,403	72.1
*Cas. Und. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Chicago Motor Club	2,833,068	860,058	30.3	+360,661	441,227	73,603	1,345,096	389,463	457,964	104,666	588,779	292,325	2,472,407	767,676	30.6
Consolid. Und., Mo. ....	1,096,095	475,396	43.3	+43,909	141,140	79,188	670,375	291,889	171,092	61,336	113,788	62,983	1,053,088	387,737	36.7
Detroit Auto. Exch. ....	4,788,423	2,212,410	46.2	+533,639	620,850	233,938	2,076,066	740,652	877,455	375,074	1,233,557	861,973	4,351,784	2,144,648	50.4
Erie Ins. Exch., Pa. ....	472,892	230,495	48.7	-42,764	35,784	12,489	257,758	151,270	153,292	53,457	28,362	13,279	515,656	204,244	39.6
Farm. Auto. A., Ill. ....	359,292	208,764	58.1	+24,467	49,048	21,193	130,175	60,815	41,159	17,055	138,910	109,701	334,825	179,475	53.6
Far. Au. Int. I. Ex., Calif. ....	5,860,206	2,570,427	43.8	+759,301	645,643	177,016	2,639,947	1,113,072	791,653	370,659	1,782,961	909,650	5,100,965	2,304,831	45.1
Federal Und. Exch. ....	18,840	4,130	21.9	+1,183	1,813	10	10,889	1,791	3,732	788	2,406	1,541	7,657	3,631	47.4
Genl. Ind. Ex., Mo. ....	68,601	21,784	31.7	-1,869	6,056	766	47,199	15,705	11,020	3,448	4,326	1,865	70,470	20,480	29.0
Gov. Per. A., Tex. ....	49,052	22,203	45.2	-3,646	4,959	1,440	25,238	8,980	11,394	5,793	7,461	5,990	52,698	21,675	41.1
Grow. Auto. A., Ind. ....	14,085	7,887	55.9	+1	2,260	178	3,551	3,006	2,371	1,044	5,824	3,655	14,084	6,006	42.6
High. In. Und., Tex. ....	243,214	65,983	27.1	+55,664	.....	.....	.....	.....	.....	.....	.....	.....	187,550	32,423	17.2
Ind. Ind. Ex., Tex. ....	1,593	.....	.....	.....	208	.....	1,077	.....	275	.....	33	.....	.....	.....	.....
Mrs. & Whol., Colo. ....	289,992	101,298	34.9	+23,546	30,504	6,681	175,032	67,572	60,538	19,695	23,918	7,350	266,446	75,084	28.1
Midw. A. Und., Ill. ....	271,759	81,609	30.0	+20,332	35,846	7,292	114,180	26,741	59,818	12,400	38,525	23,402	251,427	76,635	30.4
Motor Indem., Ind. ....	914,746	1,056,261	115.4	-1,508,058	312,203	218,265	8,980	799	3,972	696	589,591	836,601	2,422,804	1,445,637	59.6
Natl. Auto. Owners. ....	119,420	45,573	38.1	+44,624	7,824	2,496	69,032	20,975	31,396	9,026	11,168	13,276	74,796	33,346	44.5
Natl. Ind. Ex., Mo. ....	17,269	4,958	28.9	+1,789	1,411	109	10,991	3,482	3,719	1,321	1,088	76	15,420	6,813	44.1
Old Line A. I., Ind. ....	6,852	3,039	44.3	-10,827	1,084	67	9,758	3,235	4,309	1,805	2,543	1,234	17,679	5,769	32.6
Prairie St. Far., Ill. ....	39,143	13,585	42.2	+7,931	3,500	2,240	12,587	3,032	6,139	957	9,917	7,356	24,212	6,064	25.0
*Rep. Und., Tex. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	513,607	177,597	34.5
*South'n Und., Tex. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	155,921	98,618	63.2
State Auto. Assn., Ia. ....	1,144,182	394,133	34.4	-38,791	139,577	33,679	611,603	214,512	267,323	85,823	125,679	60,119	1,182,973	425,202	35.9
St. Auto. Assn., Ind. ....	2,624,166	1,460,782	55.6	-176,610	254,716	67,771	1,231,275	619,311	492,953	325,442	645,232	448,258	2,800,776	1,755,681	62.6
Texas Fire & C. Und. ....	66,725	19,011	28.4	+28,211	5,142	2,640	40,601	12,161	15,188	2,375	5,734	1,835	38,514	22,904	59.4
Texas Gen. Und. ....	54,206	16,326	30.1	.....	.....	.....	39,888	14,023	14,318	2,303	.....	.....	.....	.....	.....
Truck Ins. Exch., Tex. ....	1,028,445	425,478	41.3	+203,720	103,896	33,660	581,798	227,959	249,342	125,961	93,400	36,808	824,735	307,723	37.3
Un. Auto. Ind., Ill. ....	419,404	166,038	39.5	+36,385	57,234	12,026	180,391	76,855	81,838	22,617	99,041	54,540	383,019	115,669	30.1
United Serv. A., Tex. ....	1,714,101	409,235	34.8	+85,617	151,051	28,006	561,241	179,105	168,497	76,859	290,312	125,265	1,088,484	351,411	32.2
Total .....	31,044,634	14,029,600	45.1	+185,605	4,061,802	1,340,042	12,541,966	4,957,029	5,418,626	2,212,801	8,731,399	5,417,395	30,859,019	14,210,459	46.0

## LLOYDS

	Net	Total	Paid	Loss	Inc. or Dec.	Net	Total	Paid	Loss	Inc. or Dec.	Net	Total	Paid	Loss	Inc. or Dec.
	Prem.	Prem.	Losses	Ratio	in Prem.	Prem.	Prem.	Losses	Ratio	in Prem.	Prem.	Prem.	Losses	Ratio	in Prem.
Am. Agcy. Ll., Tex. ....	14,895	3,507	23.5	.....	5,710	1,396	101	546	6,670	311	2,354	1,254	66,149	25,853	39.0
Fl. Worth Lloyds, Tex. ....	53,941	26,017	48.2	-12,208	17,906	10,564	14,509	7,473	4,899	1,653	16,625	6,325	60,149	25,853	39.0
Liberty Lloyds, Tex. ....	5,122	19	0.3	.....	1,400	19	2,220	.....	628	.....	865	.....	868,301	345,787	39.8
*Lloyds Amer., Tex. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lloyds Guar. As. ....	984	16	1.6	.....	91	.....	649	.....	196	16	48	.....	868,301	345,787	39.8
London Lloyds, Eng. ....	87,245	341,309	391.2	-695,098	.....	.....	67,233	264,141	21,476	61,435	-1,463	15,733	782,343	461,938	59.0
South. Lloyds, Tex. ....	10,109	2,535	25.0	+5,920	6,109	1,033	.....	.....	55	.....	3,942	1,500	4,189	493	11.8
Standard Lloyds ....	88,127	14,839	16.8	.....	33,950	3,539	.....	.....	.....	.....	54,177	11,300	.....	.....	.....
Superior Lloyds ....	125,651	75,576	60.1	.....	45,514	30,745	12,576	8,424	4,551	1,765	63,010	34,642	978,089	469,254	47.9
Und. Lloyds, Minn. ....	988,209	380,380	38.4	+9,520	154,817	53,235	519,061	176,710	174,900	65,663	139,341	84,772	978,089	469,254	47.9
Universal Lloyds ....	1,068	1,165	109.2	.....	397	49	.....	.....	.....	.....	669	1,116	.....	.....	.....
Total .....	1,375,349	845,363	61.4	-1,344,322	265,903	100,580	616,400	457,294	213,465	130,843	279,568	156,642	2,719,671	1,303,330	48.0

\*Now in reversion.

†Includes adjusting expenses.

‡Reorganized as United Empl. Cas., which is entered in full cover table.

## Hazard to Employers Is Being Widened

(CONTINUED FROM PAGE 4)

an evening call. He left her in the car at the curb while he made the call. On the same trip there was an accident, the wife sued her husband and the Metropolitan Life, and won a verdict against both.

There have been many cases where the injured claimant was a guest of the employee and secured recovery against the employer, but a more sensible view appears in the case of Metropolitan Life vs. Gosney et al., in the United States circuit court of appeals, from Missouri. Two men were riding in the automobile of an agent of the Metropolitan Life. There was an accident in which they were injured and they brought suit against the driver and the life insurance company. The jury gave verdict against the life company, which appealed. The circuit court of appeals ruled that the two men were guests of the agent, and not of the company, and that the company was not liable. Yet the fact that the verdict was secured in a federal court shows that on such cases an employer needs the protection of nonownership liability. The insurance at least takes care of the cost of defense and appeal, when a jury is inclined to be too generous.

A late decision in Minnesota, Anderson vs. Standard Oil Company, shows how the financial responsibility law has widened the liability of employers who furnish cars for their employees. A sales supervisor of Standard Oil Company in southwestern Minnesota was furnished a car for use in his territory. He had written instructions forbidding use of the company car for other than company business. During his vacation he left his territory, in the company car, and went to Minneapolis for

a couple of days. On the Minneapolis visit he had a conference with his superior in the company office. After this conference he drove over to St. Paul on a personal matter, and again passed through Minneapolis on his way to his home in his territory. While parking his car in Minneapolis, after the St. Paul visit, he caused an injury on which suit was brought against him and against his employer.

The Minnesota supreme court recognized that the employee, on vacation and in pursuit of his own affairs, had not caused the injury "within the scope of his employment." However, it said the scope of employment is not, under the statute, the test of liability. The test of liability, it held, was the consent to the use of the car. There was no specific consent and there was a written order forbidding it, but the court was able to see ground for holding that the company had consented to the use of the car for the Minneapolis trip, and, therefore, it held that such consent overrode the written prohibition and made the company liable for the injury sued upon.

### Practice of the Company

In the Anderson case the finding of consent was derived purely from the practice of the company. The lesson of this is that even though employees are nominally forbidden to use company cars on private or family affairs, the mere fact that the employee does use the car without objection will undoubtedly hold the employer, even in the face of explicit orders to the contrary.

Employers, of course, are generally aware of their obvious liability. Few of them understand how wide their exposure is. Agents who have customers that are not fully protected on both direct liability and nonownership liability should be able to make them see that they are flirting with financial catastrophe.

## Safe Driver Plan Possesses Appeal: Must Be Pushed

(CONT'D FROM PRECEDING PAGE)

piration of the policy it comes up for review. It is checked against a card index in which insured are listed and on which any claim or the furnishing of a financial responsibility certificate are entered. The clerk doing the checking first looks for evidence of a claim. If none is found, he then looks for any certificate of responsibility entries. If the record is clear the risk is marked as entitled to the reward and shortly thereafter the check or draft is sent out, except in the case of Travelers, which pays the reward in the form of a credit on the renewal premium, unless a broker or agent prefers that a check be sent. Of course the credit slip is exchangeable for a check in case the insured does not renew his insurance or switches to another company.

Incidentally, the fact that Travelers uses this procedure is the reason why all the advertising of the safe driver reward plan avoids mention of checks or drafts but emphasizes the cash reward idea. In one advertisement, for example, a man and his wife are gleefully reading a letter and the man is saying "look what we got for safe driving—real money!" The casual reader may assume that there is a check with the letter but there is actually nothing specific as to just how the reward is paid.

Companies vary considerably as to when they review their claims. This depends mainly on size. For example, a large company having many rewards to pass on each day may check its cases immediately on the expiration of the 30 day interval following the end of the policy year. Another company with not enough cases to justify handling every day, may wait to do its checking until it has accumulated a week's batch. Another carrier may wait for two weeks

after the conclusion of the month's waiting period. Another company, for example, does its checking every day in the home office where its cases are numerous but the checking done at the branches is handled every two weeks.

While bureau companies and agents feel that the safe driver plan is an important selling aid, the non-bureau companies appear to feel that they can continue to hold a sufficient price advantage so that there is no cause to get excited. Said an executive of a company which writes at off-manual rates:

"The more the bureau companies advertise their safe driver rewards, the better I like it. Why? Well, when one of our insured hears a friend bragging about the safe driver reward he is going to ask our agent why he didn't get a reward. When he learns that he got more than the amount of the reward in a rate discount and without any strings to it, he is going right back and tell his friend that he can get a better proposition from us."

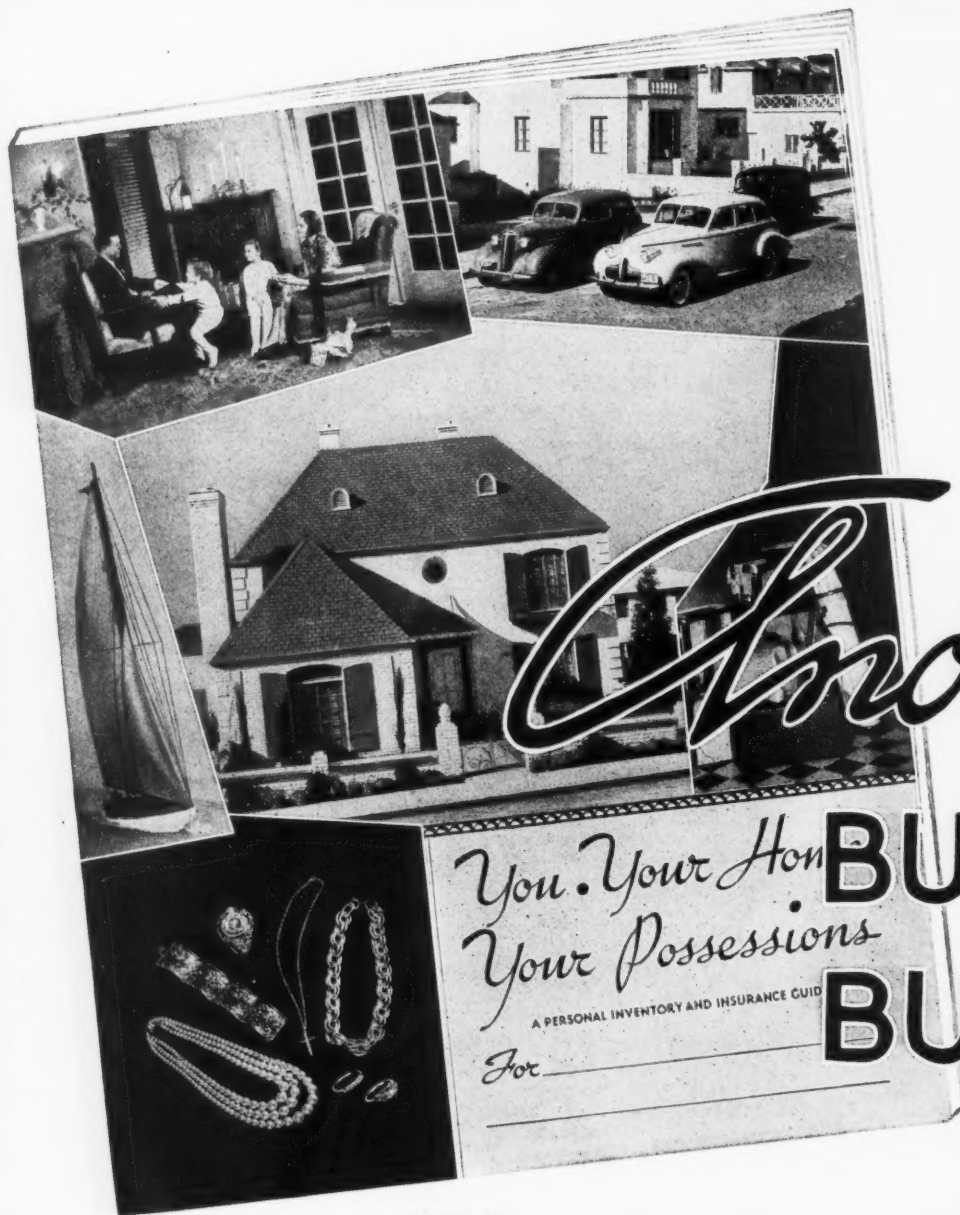
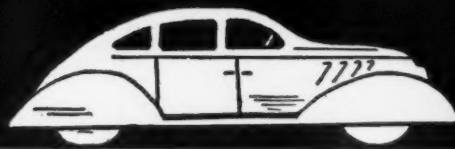
The safe driver reward principle of paying back the claim-free driver opens up some interesting speculations as to the possible length to which the plan may eventually be carried. For example, if it should be found that a 15 percent reward is a great enough incentive to avoid accidents so that claims are markedly reduced in number and severity, will it eventually be possible to keep increasing the amount of the reward, perhaps with a provision for a gradually increasing percentage for each additional consecutive accident-free year? It seems illogical to suppose that men would drive safely for the sake of a few dollars in reward money when they have a much stronger reason in keeping themselves and their families out of perhaps fatal accidents and their cars out of expensive repairs, but nevertheless, it is a human tendency to work harder for a medal or a pat on the back than to provide meat and potatoes for the family.

# Automobile Premiums and Losses of Stock Fire Companies

(CONTINUED FROM PAGE 18)

	1938				1937					1938				1937			
	Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.	Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.		Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.	Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.
Amer. Au. Fire.	2,865,032	1,027,406	35.8	+352,584	2,512,448	909,770	36.2	+575,966	Metrop. F. Re.	20,464	9,211	45.0	-3,493	23,957	18,635	77.7	+3,740
Amer. Central.	297,185	141,790	47.7	+16,171	281,014	133,455	47.4	+55,127	Mich. F. & M.	176,002	107,320	60.9	-23,316	199,318	87,790	44.0	+62,445
Amer. Eagle.	234,080	87,844	37.5	+11,840	222,240	95,061	42.7	+47,777	Millers Nat., Ill.	445,856	249,177	55.8	-132,108	577,964	305,714	52.8	+38,096
Amer. Equit.	329,265	171,117	51.9	-74,599	403,864	251,296	62.2	+50,209	Millwaukee Mec.	615,520	249,470	40.5	+155,003	460,517	195,581	42.4	+116,133
Amer. Fire, Tex.	2,171	1,855	85.4	-1,744	3,915	649	16.5	+36,501	Monarch	353,524	176,076	49.8	-35,873	389,397	292,606	75.1	-271,243
Amer. Home.	218,150	140,831	64.5	-55,382	273,532	147,075	53.7	+356,057	Natl. Am. Nebr.	279,139	203,690	72.9	+62,482	216,657	329,330	152.0	-246,824
American, N. J.	914,534	684,638	74.8	-255,761	1,230,295	590,477	47.9	+17,281	Natl. Ben. Fr.	230,381	91,360	39.6	+67,845	162,536	69,029	42.4	+40,989
Amer. Reserve.	52,681	24,199	45.9	+29,306	28,376	7,297	25.7	+30,454	Natl. Cap. D. C.	128,346	42,014	32.7	+23,893	104,453	39,200	37.5	+11,357
Amer. Sec. Co.	142,730	24,462	16.8	.....	.....	.....	.....	.....	Natl. F. & M.	20,681	7,590	36.7	-21,835	10,244	8,564	83.6	+4,497
Anchor, R. I.	83,472	41,679	49.8	-3,427	86,899	41,298	47.5	+30,454	Natl. Hartford.	3,178,320	1,930,539	60.8	-1,015,046	4,193,366	2,174,689	51.8	+1,098,657
Assoc. F. & M.	51,721	10,872	21.0	-1,908	53,629	14,344	26.7	-18,992	Natl. Grange F.	50,474	6,794	13.4	+11,498	38,976	121,406	40.6	+23,316
Atlas, Eng.	458,292	310,280	67.7	-196,871	655,163	391,173	59.7	+48,756	Natl. Liberty.	818,938	632,919	77.2	-783,925	1,602,863	749,377	46.7	+594,211
Automobile	2,863,895	1,071,307	37.4	-4,076	2,867,381	1,017,698	35.4	+495,672	Natl. Reserve.	353,717	171,622	48.5	+54,943	298,774	121,406	40.6	+236,316
Baltica	14,105	23,281	165.0	-43,948	58,053	9,531	16.4	+39,741	Natl. Security.	42,193	19,202	45.5	-2,212	45,405	18,369	40.4	+10,949
Baltimore Am.	302,894	326,212	107.3	-239,945	592,839	281,230	47.4	+219,776	Natl. Un. Pa.	1,668,812	960,476	57.5	-144,587	1,813,399	916,329	50.5	+396,890
Baltimore Natl.	6,639	2,550	38.4	-1,013	7,652	2,799	36.5	+440	Netherlands	40,889	25,791	63.1	+5,240	44,449	19,209	43.2	+12,767
Bankers & Ship.	1,813,984	1,007,812	55.5	-293,375	2,107,339	1,116,934	53.0	+391,268	New Brunswick	306,717	155,798	50.8	-41,557	342,274	153,699	44.9	+40,358
Birm'ham, Ala.	29,858	10,970	36.7	+13,805	16,831	3,582	21.2	+11,510	New England.	448,733	203,361	45.3	-459,547	908,280	411,360	45.2	+462,727
Birm'ham F. & M.	86,913	44,565	51.2	+2,834	84,079	12,657	15.0	+80,495	New Hampshire	556,959	401,292	71.9	-5,830	49,830	21,948	44.0	+15,612
Boston	543,128	228,277	42.0	-18,313	561,441	252,864	45.0	+8,945	N. J. Mfrs.	330,210	106,613	32.2	+29,686	264,273	121,705	45.0	+83,447
Brit. Am. Ont.	45,773	28,325	61.9	+2,065	71,838	34,328	47.7	-8,220	N. Y. Fire.	163,431	84,934	51.9	-37,027	350,056	103,568	29.5	+24,321
Brit. & F. Eng.	11,850	3,677	31.0	+223	11,627	2,342	20.1	+1,974	N. Y. Und.	60,809	30,177	49.6	-705	61,514	28,389	46.3	+9,976
British Genl.	51,355	24,503	47.7	+2,765	48,570	23,066	47.4	+9,528	New Zealand.	2,623	1,294	49.3	+235	2,388	684	28.6	+4,063
Buffalo, N. Y.	212,434	84,498	39.7	+114,087	98,347	32,266	32.8	+84,300	Niagara	510,076	223,827	43.8	+14,794	495,282	189,756	38.3	+130,210
Caledonian	282,293	164,902	58.4	-46,588	328,881	213,513	64.9	-127,654	N. Brit. & M.	787,483	451,290	57.3	-439,147	1,226,630	453,587	36.9	+320,927
California	187,084	89,236	47.6	+10,149	176,935	84,027	47.4	+34,710	Northern, Eng.	361,249	165,091	45.7	-9,269	370,518	187,079	50.4	+84,321
Camden Fire.	1,517,206	779,303	51.3	-95,465	1,612,671	795,100	49.4	+295,363	Northern, N. Y.	1,134,674	449,487	39.6	-20,696	1,155,370	357,852	30.9	+250,109
Canadian	95,564	39,241	41.0	+1,527	97,037	25,132	25.7	+51,703	No. River, N. Y.	292,656	181,039	61.9	-13,846	356,552	260,896	73.1	-221,162
Capital, Calif.	29,579	11,360	38.4	+8,165	21,415	8,948	41.8	+32,845	Northwestern	17,000	9,690	56.9	-13,540	30,540	19,351	63.3	+9,077
Carolina	224,366	202,400	90.2	-229,774	454,140	205,880	45.2	+231,363	North Star	100,812	107,823	106.9	-49,330	100,192	28,739	28.7	+180,713
Cent. Sur. Fire.	139,674	42,473	30.4	+85,603	54,071	8,313	15.3	+61,703	Northw. F. & M.	75,899	29,983	39.5	+23,772	52,127	22,337	42.8	+68,903
Cent. Md. Fire.	126,579	67,606	45.5	-9,635	136,214	55,104	40.4	+16,754	Norwich Union.	91,361	40,277	44.0	+11,574	79,787	44,023	55.1	-4,336
Century, Scot.	278,102	326,888	117.5	-482,253	760,355	282,684	37.1	+465,493	Ocean M. Eng.	5,078	1,576	31.0	+95	4,983	1,025	20.5	+846
Christiania Gen.	4,738	21,217	447.8	-35,742	40,480	23,550	58.1	+7,461	Ohio Farmers.	629,497	308,074	48.9	-62,698	692,195	386,890	55.8	+128,138
Citizens, N. J.	24,514	9,717	39.6	+7,121	17,393	7,271	41.8	+6,751	Ohio Fire.	24,596	3,347	13.6	+2,469	22,127	3,458	15.6	+6,451
City of N. Y.	897,466	803,105	89.4	-919,095	1,816,561	949,206	52.2	-608,303	Old Colony.	171,633	82,434	48.0	+6,077	165,556	109,230	65.9	-20,932
Columbia, O.	41,470	29,136	70.2	-10,924	52,394	24,720	47.1	+15,241	Old Dominion.	3,885	2,455	66.6	-1,184	4,869	1,987	40.8	+3,702
Columbia, N. Y.	83,451	42,385	50.7	-9,344	92,795	40,346	43.4	+16,580	Orient	128,083	56,062	43.7	-24,844	153,527	52,581	34.2	+41,094
Com. N. Y.	208,032	170,592	82.0	+14,805	218,837	99,948	45.6	+166,348	Pacific Coast.	92,700	108,963	117.5	-160,752	253,452	94,228	37.1	+100,046
Com. Un. N. Y.	117,363	56,015	47.7	+6,345	111,018	52,738	47.5	+71,515	Pacific Natl.	2,290,521	1,058,480	46.2	+642,826	1,747,695	679,751	38.8	+896,664
Commonwealth.	355,391	155,807	43.8	-27,848	383,239	138,580	36.1	+40,989	Pacific, N. Y.	1,574,715	852,295	54.1	+47,019	1,621,734	838,967	51.8	+169,630
Concordia	230,381	91,360	39.6	+67,845	162,536	69,029	42.4	+40,989	Palatine	132,096	63,002	47.6	+7,201	124,895	59,306	47.4	+24,501
Connecticut	430,137	214,064	49.7	+9,349	420,788	200,843	47.7	+86,371	Patricio	139,847	62,785	44.9	+27,196	112,651	42,225	37.4	+16,739
Continental	2,252,192	1,426,636	63.3	-837,124	3,089,316	1,259,597	40.7	+1,714,637	Paul Revere.	448,733	403,361	89.8	-459,547	908,280	411,360	45.2	+534,121
County Fire, Pa.	27,060	13,623	50.3	-492	27,552	12,346	44.8	+6,310	Pennsylvania	822,544	381,072	46.3	+12,214	778,794	584,934	75.1	-534,191
Dearborn Natl.	65,964	46,732	70.7	-975	54,671	24,678	45.1	+12,234	Penn Lib.	385	20	5.1	.....	810,330	332,337	41.0	+141,888
Detroit F. & M.	53,696	27,244	50.7	-172,075	192,810	55,332	28.7	+174,234	P. Indem. Fire	139,142	112,692	80.9	-8,095	316,237	108,997	34.5	+59,720
Dixie	20,735	14,568	70.2	+40,631	67,037	28,265	41.8	+41,828	P. Mfrs. Assn.	136,163							





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